THE FINANCIAL POST

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The Nation's Business

Fathering Bright Hopes
U.S. Eye on Canada
Call It "Scramble for Jobs"
Long Duel Nears End?
Rough Words From East
Line-up in Quebec

AS THE election campaign draws to its close a peculiar, perhaps unprecedented, situation discloses itself. The result of the campaign is indisputably indefinite. Yet there is reason to believe that in the minds of thousands of voters there is a stronger desire for strong government than for Liberal government or Conservative government. Stability overshadows politics. The move of J. J. Carrick, in running in Port Arthur as an independent, with the promise of supporting the party that gets a majority, may be significant. More than ever before, people are going to vote for the party they think can win the election. Their action will not be promoted by any desire to be on the winning side, but simply to insure that whichever side is victorious will win by sufficient margin to make its control of government firm; firm enough to give courage.

Undoubtedly, an indefinite result would favor the Liberals as it did a year ago. The Liberals are not at all likely to command a clear majority, but they could best dicker with Progressives to hold power. If the Conservatives are to win, they must win by a clear majority over all other groups—must get at the very minimum, 123 seats, a gain of seven seats. If, in the next few weeks, Mr. Meighen can give any indication that he is likely to get that many seats, then he is almost certain to get even more. Doubtful voters, seeking stability, will rush to his side.

Of course, the "clothes line telegraph" is busy reporting to the partisan press the certainty of victory in this province and that of big gains in the provinces that voted the other way in the last election. The prevalence of this material in the papers is evidence that the politicians realize that the public wants some idea of who is likely to win and will vote that way.

The stage is set for a whirlwind finish. If the election is definitely won by any one, it will be won in the last ten days.

* * *

AMERICAN papers have given considerable space to the Canadian elections, most of them contenting themselves with independent, detached reviews. Some of these have already been quoted. The Detroit News characterizes the election as a "mad scramble for office." Major issues, it submits, are conspicuously absent. The News says, in part of one of its articles:

"Canada's crying need is not a Conservative government, nor a Liberal government, but a strong, stable government. It really doesn't make much difference which party holds office. There isn't a wide gap between the fiscal policies of the Conservatives and the Liberals, for Liberals in office are not nearly as low-tariff as they are in theory, and Conservatives in office are much less violent protectionists than they are on the stumps. The fact is that in a country as large and of as divergent interests as Canada the tariff policy of any government must be a series of compromises.

"There is no outstanding man in public life to-day who measures up to the stature of Sir Wilfrid Laurier or Sir John Macdonald, but in both the major parties there are capable administrators, who, backed by a strong majority in Parliament, would give satisfactory service."

* * *

BUT desperately in need of stability Canada is only getting an overdose of partisanship, the News declares. "Press and platform were never more violent; the mud slinging brigades are working overtime."

"One of Canada's foremost financiers" is quoted as saying it is of no real importance which party is in power; what the country needs is stability of government. Another man's size-up of the situation is thus quoted:

"Here's the political situation in a nutshell: Ontario hates King, Quebec hates Meighen, the prairie provinces are interested only in the wheat pool and the Maritimes are suffering from a perpetual grouch. I'm a Conservative and it's rank heresy for me to say it, but it doesn't make a bit of difference which side wins. We need stable government, but I'm afraid all we are going to get is another draw."

* * *

THE Buffalo Express blames the existence of the third, or Progressive, party for Canada's present political instability, and declares:

"The root of all this parliamentary difficulty, and the direct cause of holding two general elections in less than a year, are the conditions which brought a third party into existence in a government and parliament designed for, and which will work smoothly only with, two parties in the elective chamber. The Progressive, or Farmer, party is a step-brother of the Progressivism in its worst form which has afflicted this country. Since 1921 the Canadian Progressives have governed Canada by virtue of their spokesmanship for a discontented region and their holding of the balance of power in the Commons. In the parliament just ended, it was apparent from the beginning that they exercised complete control, although their total membership was but a tenth

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"Steamers" Directors Can Now Carry Out Re-financing Plan

Mr. Steedman is Satisfied

To The Financial Post James P. Steedman expresses the opinion that developments have improved the outlook for Canada Steamships preferred shareholders, but he confines himself to the following brief statement:

"Commitment to a policy of operation expressed during the trial greatly improved the position of the preferred shareholders from what might have been possible under a different decision.

"Therefore, when Justice Walsh suggested that we should endeavor in the company's best interests to try and come to an understanding and drop litigation we met and carried out the suggestion made by the judge. I am now fully in accord with the management."

With Larger Tonnage, Company Sets Sail for Higher Income

STEEDMAN SAYS "O.K."

New Stock Distribution Will Proceed, Now That Legal Troubles Are Over

MONTREAL. — The opposition of James P. Steedman, a prominent preferred shareholder of "Steamers," to the plan respecting the compromise on the dividend arrears of the preferred shares of the company, has been withdrawn.

Mr. Steedman, after hearing the management's side of the story in the courts, is now stated to be satisfied that the plan is in the best interests of the shareholders.

At the June 9 meeting of the Canada Steamship Lines the shareholders approved the plan of changing the interest on the preferred shares from 7 to 6 per cent., and of compromising on the arrears of preferred dividends by the distribution of one new 6 per cent. preferred share for every five old shares outstanding.

The dividends on the new cumulative preferred will accrue from January 1, 1927, and are participating up to 8 per cent.; an additional 1 per cent. to be paid on the preferred at such time as a dividend of $3 a share is paid on the common, with a further 1 per cent. if more than $3 is paid on the common.

Record Year to Date

Of course, with its increased tonnage, the year to date has been a record one in the history of the Canada Steamship Lines. There has recently occurred the usual seasonal falling off in business, but this, while it has affected the company in some measure, was not as large as might have been anticipated.

One reason for this is the efforts on the part of the management to secure a more active participation in the pulpwood trade, and in this endeavor they have met with no inconsiderable success. The C. S. L. freighters have steadily been picking up cargoes at various points along the lower St. Lawrence and Saguenay Rivers, and carrying the wood up the river to such ports on the American side of the lakes as Ogdensburg, Waddington and Erie. This pulpwood transportation has increased the company's St. Lawrence River tonnage and has offset in a satisfactory manner those delays which have been experienced of late in the grain movement.

It is understood that the current navigating season has been a good one in the matter of earnings, but,

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NATIONAL CASH ISSUE WAS NOT THOROUGHLY SOLD

Over-subscribed by Brokers But Not by Real Investors

From Our Special Correspondent

NEW YORK.—Failure of the new stock issue of the National Cash Register Co.—sold in part in Canada—to maintain its market position is being put down partly to business developments, but more largely to the fact that it was not thoroughly sold to the investing public. When the issue was made by Dillon, Read & Co., it was announced that it had been fully subscribed, or over-subscribed, and the market advanced above the issue price under the spur of the speculative movement at that time. But this meant that the issue had been distributed to the various representatives of Dillon, Read & Co., rather than that the shares had found their way into the hands of the stable investing community. It may still be a matter of months, in the opinion of investment bankers, before this big issue can be regarded as thoroughly absorbed as an investment rather than as a speculation.

The earnings statement for the first half of the year, and particularly for the first quarter, was not very satisfactory, and this undoubtedly led to considerable liquidation on the part of those who bought hoping for early appreciation. Profits after allowance for depreciation and taxes for the half year, were $3,167,580, compared with $3,870,731 for the corresponding period of 1925, but, while the showing was only $2.88 per share of the "A" issue, compared with $3.51, the second three months was better than the first three months by $1.78 compared with $1.09. It seems entirely probable that the settlement following the decision in the Remington case had some effect upon the earnings for the first quarter, and that resulted in considerable selling on the part of investors even though this contingency had been prepared against and had been explained in the prospectus issued at the time the public offering was made. However, it is not felt that any very rapid appreciation in price is to be looked for but rather a general improvement as the merits of the stock becomes widely accepted.

Inquiries in Canadian investment circles indicate that the portion of the issue sold here was well distributed to investors, but the price has been influenced because of the situation in the United States affecting the great bulk of the stock.

Bring Florida Real Estate Methods to Muskoka Lake Summer Home Development

Adapting Florida real estate methods to Canada, a syndicate has been formed to develop property on Muskoka Lake, Ontario. Options have been taken on a number of farms and islands, and lots for summer homes are being offered under the name of "Muskoka Beach."

Development grows out of a visit to Florida by Frank Kent, head of Seaman-Kent, hardwood flooring manufacturers of Toronto, and well known Canadian Rotarian. Impressed by the millions of new wealth being created in Florida by the tourist traffic, Mr. Kent became imbued with the idea of Canada as the summer playground of America. With Detroit and Cleveland business men he is said to have worked out the scheme for a large scale summer resort exploitation in Muskoka that would attract Americans to Canada, as well as interesting Canadians seeking sites for summer homes.

Muskoka Beach literature speaks of a hotel, 18 golf course, casino, bathing beach, etc. The Coral Gables touch is to be given by night-lighting of the Hoc Roc River, a charmingly beautiful little stream connecting Gull Lake and Lake Muskoka and the installation there of a flotilla of gondolas.

Consolidated Mining and Smelting will diamond drill "The Big Showing" group at Ferguson, B. C., Revelstoke district, where very rich bornite and grey copper has been found.

New Retail Chain Seeks British Goods

A representative of the group organizing Canadian Department Stores, chain of 22 Ontario retail stores, is now in England discussing buying arrangements with British manufacturers. Old Country firms are reported to have evidenced a keen interest in the formation of the new merger and it is said that they are very anxious to establish connections with the new chain.

One of the members of the Canadian organization stated to The Financial Post that the policy of Canadian Department Stores will be to favor Canadian manufacturers in buying, but that if any Canadian manufacturer with established wholesale and "independent" retail connections was disinclined to sell the chain, then there would be no hesitation in buying in any market where the goods were offered.

Progress in effecting the merger is reported as satisfactory and financial details are now being worked out.

West Has More Money to Spend

THE Canadian Pacific (Dominion) Express Company reports that at the present time considerably more money orders are being sold in Western Canada than at the same time a year ago, or for several years.

This information, coming to The Financial Post from an official source, is most significant of the changed financial and business conditions and prospects in the prairie provinces. Experience of officials of the express companies is that the buying of money orders indicates that the people have more money for the purchase of goods.

The good Western crop of last year, like the crops of several previous years, was generally regarded as largely a debt-paying crop. Since the post-war depression in agricultural prices it has either been a case of a very small margin of net profits or the bulk of the income being devoted to the payment of accumulated debts. Now the indications already are that the crop of 1926 will provide a substantial surplus for new buying and this should have a direct effect on retail and wholesale business in the West and the manufacturing industries of the whole country.

How Pulpwood Embargo Builds Ontario Industry

New Policy of Government Provides for Present Manufactures in the Building of One of Biggest Paper Commuities in World

How Ontario's new pulpwood policy, calling for the development of home industry to the limit, through the manufacture of every stick of wood into the finished article, paper, and not merely pulp, is benefiting the province, is indicated in the report of the Minister of Lands and Forests for 1925, which has just been printed. It will be recalled that The Financial Post some months ago directed attention to the important departure being made in connection with pulp limits in the province, when, in connection with limits being sold in the Nipigon region and Kapuskasing watershed, it was stipulated that manufacture should be completed for the benefit of Canadian workers and to insure the exportation of the finished product rather than raw material. Regarding the letting of these tenders the report says:

Certain established concerns, like the Fort William Paper Company at Fort William, the Thunder Bay Company at Port Arthur, and Nipigon Corporation, Limited, at Nipigon, were all practically directly dependent upon the wood secured from settlers and private owners of timber lands, no Provincial Crown areas having been acquired by them.

Following a careful cruise and estimate of the entire Nipigon region contiguous to these and the other established plants such as the Provincial Paper mills, whose concession was limited as to cordage, the government called for tenders, the sale closing September 10, 1925. Areas also in the Ground Hog and Kapuskasing watersheds in Cochrane district were included in the advertisement. A wide departure in the method of sale was made. Heretofore areas were specifically delimited and, without particular regard to the cordage involved or the lifetime of the industry, certain building expenditures were called for. The new conditions invited all interested parties to definitely state their places of building, extent of same, size of plant, cordage requirements, expenditure involved and labor concerned, the Crown reserving to itself the right to define the areas based upon the cordage requirements for a fixed period and to designate each year the exact portion over which operations are to be conducted.

Four tenders were accepted in the Nipigon region and one in the Cochrane district, those in the former being Thunder Bay Company, Nipigon Corporation, Ltd., Provincial Paper Mills, Ltd., and Fort William Paper Company, and one in the latter, the Spruce Falls Company, at present with a plant at Kapuskasing.

In all these agreements the companies are required to manufacture every stick of pulpwood into the finished article, paper, and not merely pulp. In other words, the development of home industry to the limit is the new slogan.

The newsprint production in Ontario at present is approximately 2,600 tons a day. Under the new agreements, to be made by the government, the daily output will be increased to 4,500 tons, this enlarged production materially benefitting the hydro-electric power situation at the head of the lakes, where additional development is being proceeded with to meet the growing requirements. At Kapuskasing the Spruce Falls Company are preparing to energetically proceed with their new undertakings, which involve a large expenditure in the harnessing of Smoky Falls power and the building of sixty miles of railway and transmission line from the Falls to Kapuskasing.

With this substantial increase in the paper development, adding to the daily output alone over 2,200 tons of mechanical and sulphite pulp and 2,000 tons of newsprint, will come an increase in commerce, addition to the railway tonnage, a general stimulation of business, the adoption of sane and modern methods of timber conservation, and a resultant maintenance of a consistent trade balance with our leading newsprint customers to the south.

It is pointed out that care was exercised in the offering of timber and special consideration given to the desire to provide opportunities to going concerns of bidding on allotments for the continuance of their industries and maintaining populous centers, the existence of which so much depends upon the logging and lumbering business.

As the result of this policy in Ontario the group of paper companies at the head of the lakes will in a short time become one of the most important in the world.

Who is Buying Brazilian at the Present Level?

Who are the present buyers of Brazilian Traction?

That is a question which is being much discussed in the financial community as this stock so popular with investors and speculators continues to establish new high records.

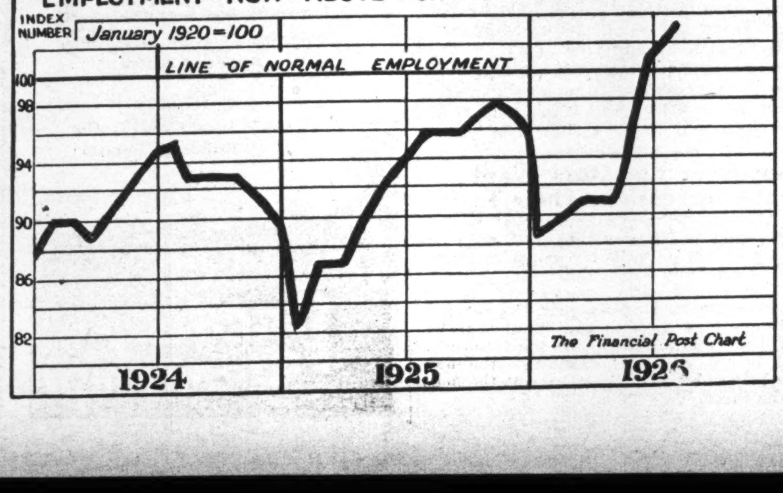
Report has it that the "Toronto crowd" have sold out. Also it is said that the Montreal interests, with which the name of Sir Herbert Holt is connected, and which bought heavily from Toronto, are disposing of their holdings, in part at least, to British and European investors. The fact that prices are forced up early in the day, on orders which have seemingly accumulated over night, and reports of buying by cable, lend strength to this theory.

Of course, there is no predicting the top of a market such as Brazilian is now in but conservative opinion is that the advance has been too rapid and that there will be a reaction. However, it is not difficult to establish a paper position for Brazilian much higher than its present price on the basis of earnings, the improving trend of exchange and the possibilities of additional revenue from the further supply of power available from the new plant which was financed out of profits. One reply to this contention is that all these things were known months ago and that, if the present price is sound, then there must have been something seriously wrong with the market valuation of a year ago.

The street is hearing some interesting and refreshing stories in connection with the company's market position, as is usual during a spectacular bull movement. Two of these concern directors. One is that a member of the board told his friends a month ago that the stock was due to go a hundred points higher. Another is that a second member of the board, who has a comparatively few shares of stock, has been waiting for a favorable opportunity to buy ever since the market was at 50, and he has refrained from buying all the way up because he felt that there would be a reaction—and that is how he feels still.

Absorption of Unemployed Has Caused Shortage of Harvesters

One reason for the shortage of harvesters in the West this year is the remarkable improvement shown in the state of employment throughout the country. There is a much smaller surplus of men out of employment at this time of year than during either of the past two years, or, in fact, than for more than five years. Industrial improvement has absorbed large numbers, and in the West, there is a big increase in the number of men securing homesteads within the last two years. While many of these will be available for harvesting, the bulk are reqiured on their own land. The shortage threatens to be acute.



National Grocers Doing 25% Better Business

Improving business is reported by National Grocers. Volume of sales is said to be 25 per cent. above that being done by the various companies which went into the merger. This is regarded as an indication of increased efficiency on the part of the new selling organization as well as better business conditions generally. The company's year ends August 31, and it is expected that a report will be available sometime during September.

National Grocers controls about 70 per cent. of the Ontario grocery trade with some 25 wholesale houses,

DIRECTORS REPLY TO OPPOSITION TO PROVIDENT SALE

Urge Shareholders in Own Interests to Accept Offer Made

CRITICISMS ANSWERED

Statements Made in the Campaign Against the Sale Are Carefully Answered — Source of Competing

HAMILTON. — Opposition to the proposed sale of the Hamilton Provident and Loan Corporation to the Huron & Erie Mortgage Corporation by a small group of shareholders persisting in the form of a definite campaign by circular letters and local newspaper advertising, the directors of the Hamilton Provident have made a direct statement to their shareholders replying to the various criticisms made and urging that proxies be sent in endorsing the sale. The directors urge their shareholders to consider carefully what will be the market value of their stock if the offer made fails to receive the required two-thirds vote. Their arguments are very effectively set forth:

These opposing shareholders know comparatively little about the investments, the prospects, and the problems confronting the Hamilton Provident, yet in their letter advise contrary to the expressed and unanimous advice of the Board of Directors of the Corporation, every member of which has accurate knowledge of the business of the company in every detail and who combined, own or directly control more than 3,000 shares representing 13 per cent. of the paid-up capital. Is it reasonable to think that the directors would advise acceptance of the offer if it were not decidedly in the interests of all the shareholders to do so, their own included? To whom, more than to the directors, may the shareholders look for sound advice in a matter of so great importance? How can any shareholder more intelligently advise other shareholders than can the directors who have over a long period of years directed and brought to its present most excellent financial position the Hamilton Provident & Loan Corporation?

The directors know of the rapidly decreasing interest rates obtainable on good first mortgages. The directors know something of the annual anxiety regarding the crops of Manitoba and Saskatchewan where one-half of the company's capital is invested. The directors know something of the anxiety caused by great numbers of vacant houses in the cities and not over-profitable condition of the farming class in Canada. The directors know of the constantly increasing expenses and taxation. The directors also know of the problem of the 20 per cent. paid stock, every holder of which is carrying a liability four times as great as his investment. The directors know of the fluctuating values of real estate and the difficulty of securing sound and reliable, as well as conservative, real estate valuations upon which so much depends the safety of our mortgage investments.

In all these matters the Hamilton Provident is not any different from any other mortgage loaning company. Your directors do not lack faith in Hamilton or in Canada, but amalgamation of large interests seems to point to a solution of many difficulties, which in our case, in themselves, are not insurmountable under existing conditions, but which would be materially decreased by acceptance of the offer before us. The proof of this is seen daily in the press reports of amalgamating interests in all branches of finance, commerce and industry. The Huron & Erie offer would appear to be in tune with the spirit of the age.

Having all these possibilities in mind and having considered the proposition from every angle, your directors unanimously advise acceptance of the offer of the Huron & Erie Mortgage Corporation.

The shareholders campaigning against the sale have stated that a financial institution has offered to advance 230 per share to permit of the formation of a Hamilton syndicate to retain control of the company, but have given no indication of the interests they represent and they

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HOLLINGER GEOLOGIST AT WOMAN LAKE

Chief Geologist Redenbeker, Hollinger Consolidated Mines, is out after spending two weeks on the Jackson-Manion claims at Woman Lake.

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The Trend of Business and Industry

The Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Shortage of Harvesters May Become Acute
Less Unemployment Than For Five Years
Steel Industries Receive Better Business
Retail Trade Expanding Throughout Country

Exaggerated reports of the damage caused to the western crops by the drouth, the decline in unemployment in the East and the lateness of the crops in Eastern Canada in comparison with the earliness of the western harvest, have led to a shortage of harvesters in the West which threatens to become acute. It was stated a short time ago that 50,000 harvesters were needed, but, according to reports from the railways, the number is scarcely half of this, and some sections in the West are becoming alarmed at the prospect. The western harvest is a process which must be attended to with the greatest dispatch in order to prevent depreciation, and, further than this, there are areas where large farmers will be quite unable to carry on harvest operations without outside help.

The decline in unemployment referred to is a direct result of increased activity in several branches of industry both in the industrial provinces of the East and on the Pacific Coast. The steady climb which has taken place in this index in the past four years is probably the most reliable indication of the upward trend. There are parts of Canada where some lack of employment still exists such as the Maritime Provinces and parts of Ontario, but this is more than counter-balanced by the situation in Quebec, the Prairie Provinces and British Columbia. In the latter province the index stands at 118.1 based on a normal period of 100 in January 1920.

Steel Industries Looking up

Livelier interest in the iron and steel markets has developed during the past few weeks and seems likely to bring sales for the second half-year above those for the first six months, providing nothing occurs to lessen industrial activity. July showed something of a spurt and August will probably exceed July in volume of business. Not much greater activity than exists at present is expected in the metal markets until after the elections, but the whole trend is upward both in prices and in purchases. Some of the steel mills are still receiving substantial orders and the volume of building is creating a strong demand for various classes of steel products in different parts of Canada.

This building program threatens to be overdone in some sections. A number of the Ontario cities are finding that there is already a surplus of buildings both for merchandising and for residential purposes. It is difficult at any time to say whether or not the supply of buildings is adequate, especially in summer when a large proportion of the population moves to the country districts and to the water. The trend of building prices and rents in the early fall will pretty well determine how the situation stands, but there are indications that building has already exceeded requirements in some directions at least. The larger cities are beginning to report a surplus both of stores and of residences.

Retail Business has Expanded

Various factors have contributed to the gradual expansion of retail business during the past three months. More money in circulation is the explanation most generally offered. This is not an explanation, however. It is merely a statement of the case. The reasons why more money is in circulation is that there are better wages and more men receiving them. This, in turn, is due to larger crops last year, and this larger activity in industry due to general improvement abroad, and a larger revenue brought into the country by summer visitors and distributed throughout the country by domestic tourists. Furthermore there is a steady rise in the country's population although the drain to the States is steady as well. As it happens, those coming into the country usually bring with them a larger amount of money than those going out, many of whom are beginning. Another factor in the retail situation is that Canadians have taken more favorably to advertising the ordinary necessities of life, such as food products, more than a few years ago. All this reacts in the direction of increasing the volume of business.

Surplus of Buildings In Several Cities

Several of the Canadian cities appear to be over-building. The number of vacant houses in Hamilton and other cities is said to be a problem. A statement made recently by the Hamilton Assessment Department shows that out of a total of 35,339 houses, buildings and apartments of all kinds there are 3,031 vacancies. Out of a total of 2,503 stores, 261 are vacant, and dwellings over stores not occupied total 250 out of 1,612. Vacant houses run to 1,532 out of a total of 27,141 dwellings, and 342 apartments out of 1,978 are unoccupied. The increasing number of duplex houses has made 116 vacancies out of 944 individual apartments. In 60 office buildings there are 783 offices occupied and 544 vacant, and out of 105 warehouses, 92 are occupied and 13 vacant. Factories, which total 377, are occupied in 326 instances, with 51 vacancies reported.

Hold Dominion Meeting Of Boards of Trade

A meeting of representatives of boards of trade from all parts of the Dominion will meet in Saint John, N.B., shortly, for the first annual meeting of the Canadian Board of Trade.

The Canadian Board of Trade was organized last November, at a meeting of representative business men from different parts of the country. An executive council was then appointed to carry on the organization until the first annual meeting. The idea was fostered chiefly by A. O. Dawson, of Montreal, and S. B. Gundy, of Toronto.

Organization meetings have been held from time to time, and in May last executive offices were opened at Ottawa. Col. James L. Regan has been acting as secretary-treasurer.

Lumber Operations Still on Large Scale

Although indications in the early fall of 1924 pointed towards a considerable diminution in the output of pine logs for lumber and other products, actual operations in 1925 reached approximately the same total as in 1924, according to the Ontario Department of Lands and Forests.

Some 337 million feet, of which 265 million feet comprised red and white pine, against 276 million for the previous year and slightly over 72 million feet of jack pine as against 61 million feet for the year 1924. The tie operations, though less extensive than for the season immediately preceding, nevertheless included an output of almost 2¾ million pieces or less by about 300 thousand, the contracts with the railways having been somewhat curtailed.

Lumber companies express the feeling that, while the past few years have not been promising from a market point of view, signs are beginning to show a tendency in the direction of an upward movement. Eastern pine and spruce lumber producers have serious competition to meet from Western and Southern producers and yet are animated with the lumberman's firm spirit that the future may be better and brighter than predicted in some quarters. A real campaign of publicity is on foot to buy products manufactured from raw material taken from the home forests rather than to favor foreign products of less durability.

Added interest is being shown in the hardwood line, judging from the enquiries made and the expressed desire of certain manufacturers to provide themselves with supplies. Certain small hardwood areas were disposed of at reasonably good stumpage prices ranging from $4 per thousand feet B.M. to $7.50 per thousand feet B.M., in addition to dues of $2.50 per thousand feet. This hardwood, in pursuance of the special Hardwood Act passed two years ago, will be all manufactured within the Province of Ontario.

Investigations are being pursued with a view to determining on the advisability of encouraging the establishment of a large hardwood manufacturing plant on the north shore in Algoma District, though actual delimitation of areas and laying down conditions will be worked out in due time.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925
Car loadings, week August 14	58,339	51,879+ 12%
Year to date	1,840,721	1,629,371+ 13%
Merchandise shipped, year to date	512,589	482,395+ 6%
Building permits—June (63 cities)	18,717,028	12,812,603+ 46%
Construction contracts awarded, June	33,865,000	22,179,000+ 52%
Railway Earnings—Six Months—		
C.P.R. gross	85,227,786	75,155,819+ 13%
C.P.R. net	13,956,687	7,797,646+ 79%
C.N.R. gross	120,989,008	105,543,743+ 14%
C.N.R. net	14,856,660	3,742,345+297%
Pig Iron Output—tons, June	70,854	45,883+ 54%
Steel Ingot production, June tonnage	81,277	63,140+ 28%
6 months to June 30	410,603	413,891— 0.7%
Automobile production—(Year to date)	$75,769,450	$59,755,291+ 26%
Newsprint production—May tonnage	153,969	130,013+ 18%
Employment—June index (5,907 firms)	103.7	96.8
Immigration—4 months to May 31	39,442	21,776+ 81%
Business failures—No. of firms, June	142	145
Liabilities, June	$2,312,913	$2,648,954
Imports of key commodities, 12 mos. ending June—		
Rubber	$37,327,931	$16,557,781+125%
Cotton	$27,507,219	$26,725,520+ 3%
Crude petroleum	$31,514,766	$22,823,931+ 38%
Exports of key commodities—Canned salmon, May, lbs.	1,303,000	2,019,000— 35%
Newsprint, May, tons	135,251	115,766+ 17%
Wheat flour, June, bbls.	1,029,490	596,001
Wheat, June, bus.	9,918,315	9,354,355
Grain receipts, August 1 to July 30	$399,262,875	$261,185,932+ 52%
Bank clearings, July	1,227,121,299	1,119,600,769+ 9%
Savings deposits, June (chartered banks)	1,328,225,287	1,253,703,216+ 6%
Current loans, June, (chartered banks)	931,548,713	895,592,277+ 4%
Exports, 12 months to July 31	1,343,968,818	1,093,165,663+ 23%
Imports, 12 months to July 31	969,296,368	817,683,042+ 18%
Balance of trade, 12 months to July 31	374,672,450	275,482,621+ 36%
Price level, June index, 236 commodities	155.7	158.6
Wheat, No. 1 Nor., Winnipeg, August 23	1.51	1.67
Cattle—Good, Toronto, August 24, $7.20. August (average)	$7.47	3%
Hogs—Select, Toronto, August 24, $13.00 August (average)	$14.00	— 7%
Pig iron (Number 1 foundry)	28.50	
Bond sales, June	$59,290,123	$30,956,100+ 91%

Crop Conditions

DRY WEATHER LED TO EXAGGERATED DAMAGE REPORTS

Estimates of Crop Yield Differ By Nearly 100,000,000 Bushels

An entirely different aspect is placed on the crop outlook by the most recent crop report published by the Manitoba Free Press. This estimate is that the crop will be "as big as last year," which would mean a wheat yield of 411,000,000 bushels. The latest estimate published by the Dominion Bureau of Statistics places the probable wheat output at 316,000,000. There is usually a reasonably wide margin between the estimates of the various authorities, but a difference of almost 100,000,000 bushels leads the average man to question the survey methods used by one or other organization.

Whatever is the truth of the situation, it would appear from the experience of representatives of The Financial Post who have covered the prairie area recently, that the unfortunate drouth conditions led to exaggerated statements of the damage done, on the part of grain men in the areas affected. In Alberta and Manitoba the acreage has been increased, and it is expected that the yield will be at least as large as that of last year. In Saskatchewan it is generally agreed that the yield will be somewhere around 25 per cent. below that of 1925 which was 240,000,000 bushels. This would bring the total to a point midway between the estimates quoted. In any event the damage caused by dry weather in Southern Alberta and Saskatchewan, especially the latter, reduced the yield as well as lowering the grade of the crops that were saved. Recent rains did much to retrieve the loss, but in many cases were too late to prevent the damage. Threshing is becoming general throughout the three provinces.

Crop Area Declines in States

It is of interest in relation to the future of the grain industry in Canada that the crop acreage of the United States has declined materially in the past five years. In Canada there has been a fairly steady increase in the acreage sown to wheat, although many sections were found unsuitable to mixed farming and have been since more or less returned to grazing land. A recent census in the States shows that the falling off in the United States has amounted to 19,000,000 acres in the area of harvested crops, during the past five years. This strengthens the theory that the United States will gradually need all her wheat output for domestic consumption and will have no exportable surplus.

The direct cause of the decline is depression. The Department of Agriculture says:

"During 1919 prices of agricultural products had attained the highest level since 1890 and probably the highest ever known," the department said to-day. "Within a year after the 1920 census was taken a decline began in the prices of most staple farm products, which decline quickly became a collapse and caused the financial ruin of thousands of farmers, especially of young men who had purchased farms largely on credit during the boom years of the war. In 1921 the average purchasing power of agricultural products was lower than in any year since 1896."

It is significant, the department asserted, that if the same rate of increase in crop acreage relative to the increase in population during the decade 1899-1909 had continued through the period 1909-1919, there would thus have been 20,000,000 acres less than the 1920 census shows, but if the 1899-1909 rate of gain relative to population had continued through to 1924, there would have been 357,000,000 acres in that year, or 13,000,000 more than the 1925 census reported.

Despite the 5 per cent. decrease in crop land harvested the acreage required to produce the crops and animal products exported was almost as large in the three years prior to 1924 as in those prior to 1919.

Grain Cutting Half Completed

Cutting is now from 35 to 40 per cent. completed in Saskatchewan. The weather during the past week has been showery, and cutting has been delayed in many parts, particularly in the south. Practically no threshing has been done, and very few correspondents venture a forecast of the yield of wheat. Hail and sawfly damage is apparent in many districts, otherwise the crops in general have not suffered materially from any cause during the last two weeks. Frost is reported at some points in the northern part of the province, but it is too early to determine the extent of the damage. Although rust is visible in one or two districts, no apparent damage has resulted. The estimates of the yield of fall rye vary considerably, with the average from 18 to 20 bushels per acre. Pastures were becoming fairly dry, but the recent rains have greatly improved their condition, and live stock generally are reported in very fair condition. Potatoes show considerable variation in condition, and it is likely that the yield will be less than last year.

Vancouver Elevators Want An Increase in Their Tariff

VANCOUVER.—Claiming that under the present tariff, elevators in Vancouver cannot obtain sufficient revenue to operate successfully and that the present tariffs retard development of grain handling facilities of the port, the private elevators here have applied to the Grain Board of Canada for an increase from one cent to 1¼ cents on elevation, the new rate being about equal to that at the head of the lakes.

Exports Up 23 Per Cent. and Imports Eighteen

Both imports and exports dropped slightly in July from the June record, the former by about three millions and the latter by eight. Imports were $88,610,048 and exports were $110,325,650. As against the corresponding month last year imports were up $7,00,000 and exports, $9,000,000.

For the year ending July, imports were $969,296,368 as against $817,683,042, an advance of 18 per cent. Exports for the same period were $1,343,968,818 against $1,093,165,663 for the preceding twelve months, an adv ınce of 23 per cent.

Merchandise Shipped Boosts Car Loadings

A large increase in merchandise shipments during the week ending August 14 was largely responsible for a rise in car loadings to 58,339 cars against 56,657 the week before. Total for the corresponding week last year was 51,879 so that the higher level that has existed this year so far is being maintained. Eastern Canada was responsible for the greater part of the increase. Grain and grain products shipments, incidentally, declined during the week in question.

Total shipments for the year to date are 1,840,721 against 1,629,371 last year to this date, a rise of 13 per cent.

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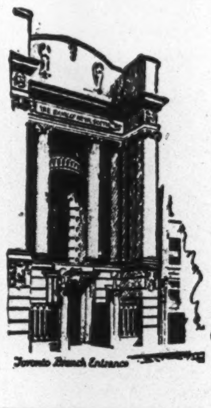

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UNFAIR FREIGHT RATE HANDICAPS BUSINESS

Coast Firm Places Case of Discrimination Before Board of Railway Commissioners

Many lines of business in Canada are seriously handicapped by inequality of freight rates between the East and West. An outstanding example in the hardware lines is pointed out by Hardware and Metal—the shipment of such products as stoves and other heavy hardware from the Pacific Coast to Prairie cities. The following case was recently placed by a leading Victoria hardware firm, before the Board of Railway Commissioners:

"My company manufactures stoves, ranges and furnaces, and has been established in Victoria for many years—the present company and its predecessor for over forty years. Our business has always been and still is almost entirely confined to local markets on account of the high cost of freight to prairie centres of population. If we could obtain rates which would enable us to compete with similar products of eastern manufacture there is no reason why our output should not be largely increased. The consequent reduction of our manufacturing costs would thus put us in an even better position as regards the strictly local market. The great preponderance of manufacturers is in Eastern Canada, and this is natural, as immigration comes to Canada mainly from the East.

"The following rates from Eastern terminal points compared with Victoria terminal rates will illustrate:

	Miles	Rate
Victoria to Winnipeg	1,556	1.72
Sackville to Winnipeg	1,844	1.28
Montreal to Winnipeg	1,416	1.14
Toronto to Winnipeg	1,332	1.14
Victoria to Regina	1,209	1.41
Montreal to Regina	1,773	1.55
Toronto to Regina	1,588	1.55

"Apparently the so-called mountain scale is responsible for such a disparagement. It is an imposition that the province with the small population should be held back, and there is not the slightest doubt in my mind that if the centre of population were reversed this condition would not stand for one day.

"As a tribunal independent of any political party or bias in any form you have the opportunity in face of the facts as to carrying costs already presented to you from figures compiled by the railway companies themselves to correct a most glaring injustice."

MANITOBA SURVEYING LANDS

WINNIPEG. — The Manitoba government has commenced an agricultural survey of unoccupied lands in the province which when completed will provide the incoming settler with all information.

To Operate the Spillers Elevator as Public House

VANCOUVER. — The 2,100,000 bushel elevator of the Vancouver Terminal Co. will continue to be operated as a public house through the 1926-27 season. This plant, built by the British milling interests of Spillers, is in its third season. Last season it handled more than half of all the grain that passed through the port, it is declared.

In connection with this announcement, the names of the following are given as officials of the company:

James Stewart, president; F. W. Riddell, vice-president; C. Lamont, secretary; Ray E. Lee, treasurer and manager.

Mr. Lee for some years was the Vancouver manager for the Alberta Pacific Grain Co., Ltd., before it was purchased by the Stewart interests.

The Alberta Pacific Grain Co. will be a separately-run organization, handling domestic business only, it is said. T. H. Donnelly, for the past four years with the Alberta Pacific under Mr. Lee, has been appointed British Columbia representative in charge of the office here.

A. W. Whitmore has been appointed managing director for the James Stewart Grain Corporation, Ltd, which will handle the export trade of the Stewart organizations.

—The— Constitutional Crisis

The constitutional issue is pure political buncombe, designed to divert attention from the King Government's administration of the Customs Department, upon which issue it was ignominiously defeated in the House of Commons.

Here are the vital stubborn facts:

1 In September, 1925, Mr. King was granted dissolution by His Excellency Lord Byng, on the representation that he must be given a chance to secure a clear working majority. He stated at Richmond Hill that if such a majority was not forthcoming, he would not attempt to carry on.

2 In the old Parliament thus dissolved there had been 234 members, of whom 117 were Liberals, 66 were Progressives or Independents and 51 were Conservatives.

3 In the new Parliament, elected in October, 1925, Mr. Meighen had by far the largest group—almost half the total membership of the House. Out of 245 seats the Conservatives had 116, the Liberals 101, the Progressives 24, Labour 2, and Independents 2.

4 Instead of immediately resigning, as he should have done in view of the ground upon which he had been granted dissolution, Mr. King asked for and was granted leave to carry on, on the assurance that he would leave the fate of his administration to Parliament itself.

5 On Friday, June 25th, three separate motions by so-called independents, in support of which Mr. King's Government marshalled its last ounce of strength, were decisively defeated and the original motion of censure, to which the foregoing had been moved in amendment, was still awaiting decision in Parliament when Mr. King asked His Excellency for dissolution on Monday, June 28th.

6 To have granted Mr. King a dissolution under such circumstances would have been a direct denial of the right of Parliament to pass upon the vote of censure then pending.

7 Following Mr. King's resignation, Parliament by a majority of 10 did actually adopt a direct vote of censure on the King Government, and declared it unworthy of confidence or office.

8 It was Mr. King's refusal to follow British precedent in co-operating with the incoming administration to pass supplies and complete the sessional programme that left Mr. Meighen no alternative but to ask for dissolution.

9 Mr. Meighen followed the same course as that adopted by Sir Wilfrid Laurier in 1911, when he saw that it was impossible to carry on and abruptly dissolved Parliament.

10 If His Excellency had recalled Mr. King to office, he would have done so in the very face of Parliament's vote of censure.

11 Under Mr. King's interpretation of the constitution a Premier need never resign, but could demand dissolution after dissolution, despite the verdict of Parliament or the electorate, and the Governor General must perforce accept his advice.

This is the story. It calls for no comment—it speaks for itself!

The Conservative Party stands solid as a rock for sound British constitutional practice, the maintenance of the British connection, and the right of Canada to enjoy the blessings of stable Government.

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The Securities Markets

UPWARD TREND IS CONTINUING ON STOCK MARKETS

Brazilian, Smelters and Power Stocks Setting the Pace

MARKET INDICATOR

20 Industrial Stocks		
Week of Aug. 25	100.	96.0
Week of Aug. 18	97.9	96.0
Month of Aug. 1925	84.2	76.3
9 Bank Stocks		
Week of Aug. 25	$224	$222
Week of Aug. 18	224	223
Month of Aug., 1925	210	208
10 Public Utilities		
Week of Aug. 25	95	94
Week of Aug. 18	95	94
Month of Aug., 1925	91	87

Under the leadership of such speculative favorites as Brazilian Traction and Consolidated Smelters, and with the paper group and some of the power stocks moving impressively forward, the Canadian markets have continued the upward trend during the past week. Business conditions continue generally favorable, with good prospects for the fall and winter, but there are certain indications that there has been profit-taking during the continued advance and it would seem that at least a substantial proportion of whatever further improvement business is anticipating has already been discounted. Evidence of this would seem to be supplied by the action of the bank stocks which failed to join in the advance. Not only do the bank stocks usually reflect the general business outlook, but they are also providing a pretty reliable indication of the investment trend on the basis of dividend return.

For the time being, New York's influence is not in evidence. The Canadian markets are displaying more confidence than Wall Street, when there has been something of a reaction, and difference of opinion holds as to whether a change in the trend has now been established. Anything like a general decline in New York would undoubtedly have its effect on the Canadian markets and developments will be closely watched to note whether Wall Street will resume the bull movement for the fall campaign.

The paper stocks have continued as a strong feature of the market. With increasing consumption disposing of apprehension as to over-production, the possibilities of the future of the industry are appealing more and more to investors, and particularly to those speculatively inclined. Abitibi has advanced an additional 4 points and Wayagamack has continued its rather spectacular upward movement to close at par with a moderate reaction from the high. Laurentide has been perhaps the outstanding feature with a gain of more than 10 points. Brompton and Spanish River have advanced more moderately, while Provincial Paper and Howard Smith have been somewhat easier.

In the steel group strength has been pretty well maintained, but changes have not been very important. Steel of Canada common has eased somewhat from its high, but the preferred is a point stronger. The Besco issues have been practically unchanged. Dominion Bridge has moved up about 4 points and Canadian Locomotive a point. McKinnon Industries, Ontario Steel and Russell Motor have been somewhat higher. General business continues good in steel lines and an increased movement of products is expected to Western Canada, though this may have been largely discounted on the strength of the crop forecasts.

With the exception of Ogilvie, which has declined about 3 points, there have been practically no changes in the milling stocks during the week. In the other food products securities, small changes in both directions have been recorded. B. C. Fishing has been inclined to advance again, following the reaction which came with the official statement that nothing in the way of capital reorganization or special dividends was contemplated. The chain grocery stocks have shown little change. Canadian Bakeries has moved up to 34.

In the utilities, Brazilian Traction has provided the chief interest both as to volume and price movements. Always a popular feature of the market, the rise of this stock to succeeding new high levels has been followed with speculative interest. Undoubtedly there has been considerable profit-taking recently, but this is no reply to the question as to what the top of the present movement may be. Other traction stocks have shown little disposition to follow the lead of the South American company. Among the power stocks Montreal Power has continued its advance to 240. Shawinigan has also made a substantial advance. Ottawa & Hull Power and Southern Canada have also moved up moderately. Consumers Gas advanced to 175.

Advances and declines have been noted in the textile group. Canadian Cottons common declined rather sharply, and Penmans slightly, while Dominion Textile and Wabasso sold higher. In the general industrials, advances predominated. F. N. Burt, Canada Cement, Crow's Nest Coal, Dominion Glass and National Breweries, were among those selling up while Sterling coal, Lyall, Goodyear and industrial Alcohol sold off.

The bank stocks were inclined to sell to lower levels, an indication of investment trend and business prospects which was evidently ignored by the market generally.

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Massey-Harris Dividend on Common Being Predicted

The Massey-Harris Co. is enjoying prosperity this year and the outlook is encouraging, according to Watt & Watt. The common stock is being bought by well-informed investors, in prospect of the commencement of dividends on the junior issue. The company's year ends November next, and we believe that earnings on the common stock will be sufficient to warrant the payment of an initial dividend.

National Breweries Has No Special Dividend Plan

MONTREAL.—While there was nothing official given out after the recent meeting of the directors of National Breweries, save that business is going very well, it was stated that there had been no intention of any special dividend discussion at this time, as rumored prior to the meeting. The impressive action of the stock, in which there has been for many months a consistently good market, may have formed the basis of the rumor. It is pointed out that the company is enjoying the full benefit of extensions made to plants during the past couple of years and reports are to the effect that operations are at capacity.

RAILWAY EARNINGS

Canadian National Railway

Week-end	1926	1925	Change
Aug. 14	$4,921,089	$4,700,169	$220,920

Canadian Pacific Railway

Week-end	1926	1925	Change
Aug. 21	$3,651,000	$3,510,000	$141,000

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Pulp and Paper

LAURENTIDE HAS STRENGTHENED ITS POSITION IN YEAR

Results With Lower Prices Demonstrate Company's Strength

From Our Own Correspondent.

MONTREAL.—The balance sheet just issued by the Laurentide Company for the year ending June 30, 1926, bears witness that the character and ability of the management of any corporation are the prime factors which must be considered before the purchase of its securities is undertaken; for the fundamental soundness of Laurentide and its management has been again revealed this year. Despite the $5 reduction in the price of newsprint during the last six months of the fiscal year, earnings have been maintained at the 1925 level and the balance sheet also shows those major improvements which have long characterized the annual exhibits which Laurentide presents to its shareholders.

Figures Tell Story

The comparisons of the income account and the working capital figures over the last three years which follow require no comment:—

	1925-26 $	1924-25 $	1923-24 $
Op. Profit	2,486,267	2,631,394	3,058,350
Misc. Profit	146,682	38,711	85,489
Invest. Inc.	388,918	391,557	407,751
Total Inc.	3,021,868	3,061,663	3,551,590
Interest	316,293	381,065	318,876
Depreciation	798,741	770,622	1,148,189
Net Profit	1,906,833	1,909,975	2,084,524
Dividends	1,728,000	1,728,000	1,728,000
Surplus	178,833	181,975	356,524
Prior Surplus	2,289,131	2,107,156	1,750,632
P. & L. Bal.	2,467,964	2,289,131	2,107,156
P.C. on Cap.	6.62	6.63	7.24

Working Capital

June 30	1926 $	1925 $	1924 $
Current Assets	10,013,206	11,417,137	11,484,245
Current Liab.	2,046,602	4,110,410	4,592,103
Net W. Cap.	7,966,604	7,306,727	6,892,142

The investment account figures are included in the foregoing liquid asset figures because they largely represent the company's holdings of the stock of its subsidiary, the Laurentide Power Company. These holdings are indeed liquid and could be disposed of at any time at a figure much in excess of that which they are carried on the company's books.

The changes in the balance sheet are all, as usual, of a constructive nature, chief of which is the complete elimination of the company's bank loan, which last year amounted to $2,315,308. This elimination was responsible for the reduction in current liabilities. The only other change of a major character amongst the liabilities was the increase of $178,833 in the surplus account.

Cash on Hand Increased

Amongst the changes in the assets was a reduction of $586,221 in the property account. Cash on hand has been increased by $349,360, whilst logs and logging supplies are lower by $1,277,694. Deferred charges to operations have been increased by $87,898.

The report of George Chahoon, Jr., the president of the company, to the shareholders was brief; in part the report states:—"The earnings shown are based upon logging costs, which have been computed in a conservative manner, and proper reserves have been created for proper contingencies. During the year the mills have been operated at full capacity."

It may have been that before the issuance of the report some inkling of its strength percolated into investment circles, and this, perhaps, explains the strong demand for the stock which forced the price to over 108 last week.

Many Merger Rumors

But from time to time, during the past few months, there have been many rumors that Laurentide was entering merger negotiations; but these rumors have never received any official confirmation of any sort, and to date have all proven incorrect.

The latest rumor indicates that the company is in receipt of an offer from the International Paper Company, whereby the present shareholders might be offered cash for their holdings. Followers of the stock seem to be thoroughly convinced that there are real developments under way for Laurentide. In the meantime, the stock has reacted, and this gives the recent rise more the appearance of simply a market movement.

Canadian Paperboard Creating New Records

From Our Own Correspondent.

MONTREAL.—The Canadian Paperboard Company, it is understood, in July experienced the biggest month in its history, and to date this month the business is being well maintained. The affiliated company, the Tidewater Paper Company, has also been feeling the improved business conditions which have affected the Canadian Paperboard.

The Tidewater Paperboard is the wholely owned U. S. subsidiary of the Northern Paperboard Company in which there is a considerable investment interest in this country; the latter owns more than 80 per cent. of the outstanding stock of the Canadian Paperboard Company. Both subsidiary companies manufacture and sell cardboard for further manufacture; the demand for this commodity quickly reflects any improvement in the general business level, hence the bettered earnings of these companies.

Contributing to the excellent results which are being obtained by Canadian Paperboard was the fact that the power developments of its subsidiary, the Quinte and Trent Valley Power Company, were completed last May, since which date the company has been using power supplied from this source.

Pulp Strike in Norway Benefits Mills Here

MONTREAL.—All the pulp and paper mill workers in Norway went on strike last week; thus the ill wind for Norway should prove a bullish factor, as far as the chemical and groundwood pulp mills in Canada are concerned.

Exports from Norway last year, in round numbers, amounted to 150,000 tons of sulphite pulp, 100,000 tons of kraft pulp, and 410,000 tons of groundwood. Of course, the shutting off of the Norwegian groundwood should eventually strengthen the market for newsprint, but the beneficial effects will not be felt to the same extent as in the American chemical pulp market. Every day the strike continues, very close to 1,000 of chemical and 1,300 of mechanical pulp is off the market.

How long the strike will last is, of course, a matter of conjecture, but in the past such strikes in Norway have sometimes been of some duration.

McInnes to Manage Anglo-Canadian Plant

MONTREAL.—Frank Clarke, vice-president of the Anglo-Canadian Pulp & Paper Mills, announces that R. A. McInnes has been appointed general-manager of his company's mills at Quebec. Mr. McInnes recently resigned his position as manager of the Abitibi Pulp & Paper Company's mills at Iroquois Falls.

Mr. Clarke further announced that his company had almost completed the details of the plans for their mill at Quebec and that operations on the foundation, and other preliminary work of this character, were being proceeded with, and satisfactory progress was being made.

Newfoundland Shipping Newsprint to United States

Official figures from Washington, covering the imports of newsprint into the United States for the month of June and the first six months of the present year, indicate that Newfoundland is shipping in a fairly large way into that market. For the month imports amounted to 15,523 tons, as compared with only 766 tons one year ago. By far the greater part of this is being supplied by the Newfoundland Power and Paper Company.

For the first six months of the year the total shipments were only 24,784 tons, so that in June nearly double the amount was shipped as came over in the previous five months.

(See also page 6)

Reports on British Columbia
Those who have investments in British Columbia and are uncertain as to their value are invited to consult with us.
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on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
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By order of the Board.
WALTER F. WATKINS,
Secretary.
Toronto, August 18th, 1926.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED
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$ 600,000
J. S. MITCHELL & CO., LIMITED
7% Preferred Stock
(Sinking Fund Cumulative, Voting and Redeemable)
Preferred as to Assets and Dividends and entitled to a fixed cumulative preferential dividend at the rate of 7% per annum, payable quarterly by cheque at par at any branch in Canada of the Canadian Bank of Commerce on the 1st day of January, April, July and October. Dividends will be cumulative from July 1st, 1926. The stock will be redeemable in whole or in part, at the option of the company, at 110 and accrued dividend on sixty (60) days' notice. Each preferred share entitles its holder to one vote at all shareholders' meetings. Shares of $100.00 par value each.

Capitalization	Authorized	Issued
7% Cumulative, Voting, Redeemable, Preferred Shares	1,000,000	$600,000
Common Shares (No par value)	15,000 shs.	15,000 shs.

THE COMPANY: J. S. Mitchell & Co., Limited, carries on, throughout the Eastern Townships of the Province of Quebec, with its head office at Sherbrooke, a large and prosperous business founded in 1876 by the late J. S. Mitchell. Its activities include the wholesale and retail distribution of mill, railway, corporation, mining, plumbers', blacksmiths' and contractors' supplies, coal and general hardware, explosive supplies and electrical equipment. In these various lines it serves the requirements of that large and rapidly developing industrial area lying between the St. Lawrence River and the International boundary. During the many years since it was founded, the business carried on by the Company has steadily kept pace with the rapid development of the industrial and mining districts which it serves and has prospered accordingly.

Book value of Preferred Shares	$156.75
Valuation of Preferred Shares	174.50
Valuation of No Par Value Common Shares	30.00

No valuation for goodwill has been included.
The Company has no bond issue, bank loan, or contingent liabilities.

EARNINGS: Net earnings during the past five years, after deducting all charges including maintenance and repair charges, ample depreciation, interest, taxes (Municipal, Provincial and Federal Income Tax) averaged $113,073.00
Dividend requirements on this issue will be 42,000.00
During the past eight years the business has disbursed each year by way of dividends an amount in excess of that required for dividends on this preferred stock.
The sales up to July 31st, 1926, are considerably in excess of those for the corresponding period of last year, and profits have increased accordingly.
MANAGEMENT: Mr. J. C. Newman, who has so successfully managed for many years the McClary Manufacturing Company, Montreal, and is a Director of many other successful Companies, is President and is taking an active interest in the management of the Company, together with several of his business associates. Mr. George W. Murphy, who is Vice-President and General Manager, has been actively engaged in this business for over 25 years and retains with him that organization which has been responsible for the phenomenal success of the business in the past.
SINKING FUND: 10% of the net earnings available for distribution as dividends on the common stock shall be applied as a sinking fund for the retirement of the Preferred Stock.
Legal details in connection with this offering are subject to the approval of Messrs. Brown, Montgomery and McMichael, of Montreal. This stock is offered when, as and if received by us and subject to the approval of Counsel.
Price: $100 per share and accrued dividend to yield 7%
(Carrying bonus of four shares of common stock of no par value with each 10 shares of Preferred. Fractional shares of Common Stock will be adjusted at $25.00 per share.)
Orders may be telephoned or telegraphed at our expense.
WILLIAMS, PARTRIDGE & HODGSON
LIMITED
171 St. James Street, Montreal — *Telephone: Harbour 3113*

Public Utilities

BRAZILIAN JULY NET INCOME WAS LOWER THAN JUNE

Gross Earnings at High Level But Expenses Were Higher

While the net earnings for Brazilian Traction, Light & Power Company for July were somewhat below the record-breaking return for June, they were higher than any other single month during the past three years. There is room for difference of opinion as to whether the decline below June represents seasonal conditions or whether the industrial disturbances following the rapid rise of the milreis are having some effect.

Gross earnings for July amounted to $3,531,663, which compares with $3,487,237 for June and $2,560,132 for July, 1925. The increase in gross over the preceding month of this year was more than offset by the heavier operating expenses. July's expenses in operations were $1,540,857, which compares with $1,449,784 in the preceding month. Net earnings amounted to $1,990,806, an increase of $600,016 over the record for July, 1925. The July figures were $46,647 below the June record.

The aggregate net earnings for the first seven months of the year amounted to $12,928,726, which is an increase of $3,493,637 over the total for the corresponding months of last year. Aggregate gross earnings for the seven months were $22,557,609, an increase of $6,089,195.

1925	Gross	Net	Net inc.
May	$2,282,198	$1,322,214	a$153,683
June	2,386,113	1,350,445	a144,418
July	2,250,132	1,390,790	385,550
Aug.	2,895,346	1,585,830	234,081
Sept.	2,846,091	1,514,288	69,554
Oct.	3,100,963	1,568,072	117,671
Nov.	2,911,695	1,554,038	132,209
Dec.	3,111,261	1,714,418	310,888
1926			
Jan.	3,163,670	1,792,288	298,795
Feb.	2,893,557	1,678,787	394,445
March	3,077,791	1,763,343	317,416
April	3,021,732	1,715,372	467,494
May	3,381,959	1,950,677	628,463
June	3,487,237	2,037,453	687,008
July	3,531,663	1,990,806	600,016

a—Decrease.

Present Levels Indicate Split in Shawinigan

From Our Own Correspondent

MONTREAL.—In the levels to which they have surged upwards, the shares of the Shawinigan Water and Power Company made history again this week. For some time past, it has been thought that Shawinigan would eventually issue about $5,000,000 of new shares to its old stockholders, and it has been thought that the valuable rights behind such an issuance of stock have been moving the shares into new ground. But there are other possibilities in connection with this security which have been discussed, but which have received nothing in the way of official confirmation. It is thought that the stock will be split. With the shares at their present levels, Shawinigan would, no doubt, benefit by, say, a four or five to one split. This will eventually take place, no doubt, but that such a step has even been discussed as yet by the management is a matter for pure conjecture.

The present strength is due, of course, to Shawinigan's earning power and the policy extending over many years of steadily ploughing back earnings and laying the foundations, though some of its utility and industrial subsidiaries, for enlarged earnings; thus, to-day, the shareholders are reaping the benefit of the management's sound policies extending over many years.

The market record and dividend record of Shawinigan over the past eighteen years follow:

Year	High	Dividend
1909	103½	4%
1910	111¼	4%
1911	124¼	4¾%
1912	154¾	5%
1913	149½	6%
1914	142¾	6%
1915	139⅞	6%
1916	137	7%
1917	131	7%
1918	118½	7%
1919	127½	7%
1920	119½	7%
1921	109½	7%
1922	116¾	7%
1923	123½	7%
1924	137½	7%
1925	175	7¼%
1926	220	8%

Detroit United Fails to Earn Bond Interest

MONTREAL.—The consolidated income account of the Detroit United Railway Company for the first six months of 1926, to June 30, indicates that once again the organization, which has been in the hands of the receivers for the past couple of years, has failed to fully earn its bond interest requirements. Interest charges for the half year amounted to $599,299, but the company was able to make available against this charge a sum of only $271,364, indicating a shortage to cover interest for the six months of $327,935.

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Architectural Bronzes
Bronzes and Brass fixtures
Hammered and Wrought Iron
Frink Lighting Equipment
Metal Signs and Shields

Northern Canada Power Signs Gowganda Customers

From Our Own Correspondent.

MONTREAL.—The Northern Canada Power Co. has recently added three new customers to its Gowganda line; these are the Plata mine, the Morrison property and the Miller Lake O'Brien. The latter operates its own electric plant and power is being purchased from the Northern Canada to augment this source of supply.

The Gowganda transmission line was completed in March. The three foregoing are the latest customers to be connected up: others include such properties as the Castle Trethewey, the Tonopah and W. J. Nine. It is understood that the load which the company has obtained for this line has exceeded that which was anticipated at the time the extension was under consideration.

Great Northern to Be Linked With N.O. L. & P.

MONTREAL.—It is understood that the management of the Great Northern Power Corporation, which has leased its assets to the Northern Canada Power Company for a term of twenty years, is considering the erection of a new transmission line which will connect up this company's system with that of the Northern Ontario Light and Power Co. and will increase the amount of power available for the use of the mines at Kirkland Lake, Ont.

The terms of the agreement, whereby the Great Northern Power Co. leased its system to the Northern Canada Power, provide for the retention by the latter company from the gross revenues annually a sum of $20,000 with which to meet the operating expenses of the property. Revenues over and above this sum up to a maximum of $100,000 annually will go to the Great Northern. Under this contract it is said that the Great Northern Power is annually earning at the rate of over $15,000 over and above its bond interest requirements.

Connecting up the Great Northern's plant with the Northern Ontario's lines appears to be a sound move for the lines of both companies supply power at 60 cycles, whereas all the other companies in the northern mining sections supply only 25 cycle power.

Twin City's Performance is Rather Disappointing

The recent market performances of Twin City has been rather disappointing following the favorable award affecting the company's fares. The stock at the present time is on a five per cent. basis, while the favorable fare award means that an increase to the regular six per cent. basis is a very reasonable expectation. Earnings statements thus far issued by the company have not included bus operations, which, it is understood, have thus far proven quite profitable, and the further extension of bus service, as planned by the company, should further help round out the company's earnings. Inauguration by the company of this branch of their business has, it is understood, to a considerable extent eliminated the jitney and private bus competition, which for a time cut considerably into the earnings of the company.

QUEBEC SOUTHERN EXTENSIONS

MONTREAL.—The Quebec Southern Power Corporation and its subsidiary are making extensions to their system totalling over forty miles to serve the towns of Huberdeau and Arundel, in the north; St. Roche de l'Achigan and St. Calixte, in the district bordering on Joliet and Ste. Monique and St. Augustine, in the southern section of the corporation's territory. These last two mentioned towns are, in fact, within a few miles of the Lake of the Two Mountains. These additions to the company's lines will mean an immediate increase of about one thousand new retail customers.

(See also page 7)

Food Products

Improvement Expected In Milling Situation

Some improvement in the milling situation is looked for by Financial Counsel who state in a current bulletin that the financial years of the majority of the milling companies of Canada whose securities are listed on the stock exchanges end on August 30, so that in that instance a fairly good idea is possible at the present time as to what the earnings for the year ended August 31, 1926, will be as compared with those of the previous year. So far as we can judge, statements will show rather above those of last year. The improvement has not been marked, by any means, for reasons that are discussed below, but any betterment will be welcomed by the shareholders, who were much disappointed with the results of milling operations one year ago.

It is quite true that the financial statement of Maple Leaf Milling Co. showed a considerable decline in earnings over those of the previous year. Its fiscal year, however, does not coincide with those of the other companies, as it ends on March 31, five months ahead, or seven months behind, as the case may be. Maple Leaf had had in the year ended March 31, 1925, a substantial Russian order, and only a small portion of this ran over into the 1925-26 year. Then conditions in the latter part of its fiscal year, the early months of 1926, were not good, and rather fell below the corresponding period of the year 1925.

Those companies whose years began on September 1, 1925, made a rather good start, with four fair export months extending to the end of 1925. On the other hand, export business for the greater part of the present calendar year has not been brisk, and indeed has been rather behind last year's. For the past couple of weeks or so millers state that there has been practically no export, as European mills are apparently holding back in anticipation of lower prices as a result of the incoming crop.

Canadian Salt Shares Maintain Recent Gain

Strength is being maintained in the shares of Canadian Salt around a level of 134 as against much lower quotations a short time ago. Canada imports almost as much salt as she produces. In 1925 the production of all grades of salt in Canada amounted to 238,904 tons, representing a total value of $1,959,225 including the value of packages. Without these the value was $1,410,697. During the same year we imported 193,632 tons valued at $1,077,321. Our exports amounted to only $26,678 which was the value of 2,324 tons. These figures indicate that there is further room for the development of the Canadian salt industry since imports were equal to 83 per cent. of the total Canadian output. Ontario production was 97 per cent. of the total. Nova Scotia and Alberta contributed the balance.

Asbestos Shipments Off, But Outlook is Better

From Our Own Correspondent.

MONTREAL.—There are indications of an improvement in the demand for asbestos in the United States. So far as the production from Canadian mines in general, and the Asbestos Corporation in particular, is concerned, the balance of the year should show some improvement over the first six or seven months.

This year, the actual shipments of various grades of asbestos fibre from the mines operating in the various districts of Quebec continued to run at a lower level than during the corresponding period of last year.

The following figures show the seven months' shipments of the various grades of asbestos from Thetford, Black Lake, Robertson and East Broughton, from which points the Asbestos Corporation and the two other competing producers in the field make their shipments. In any consideration of these figures, it must be remembered that the falling off in shipments has been offset by the considerable advance in prices which has taken place, due to the merger of the asbestos companies. The figures follow:

Grades	First 7 mos. '26 tons	First 7 mos. '25 tons	12 mos. '25 tons
Crude No. 1	719	457	961
Crude No. 2	1,668	1,824	2,905
Fibre	50,040	54,818	95,368
Refuse (in bags)	52,480	56,524	106,506
Refuse (in bulk)	3,556	4,761	8,600

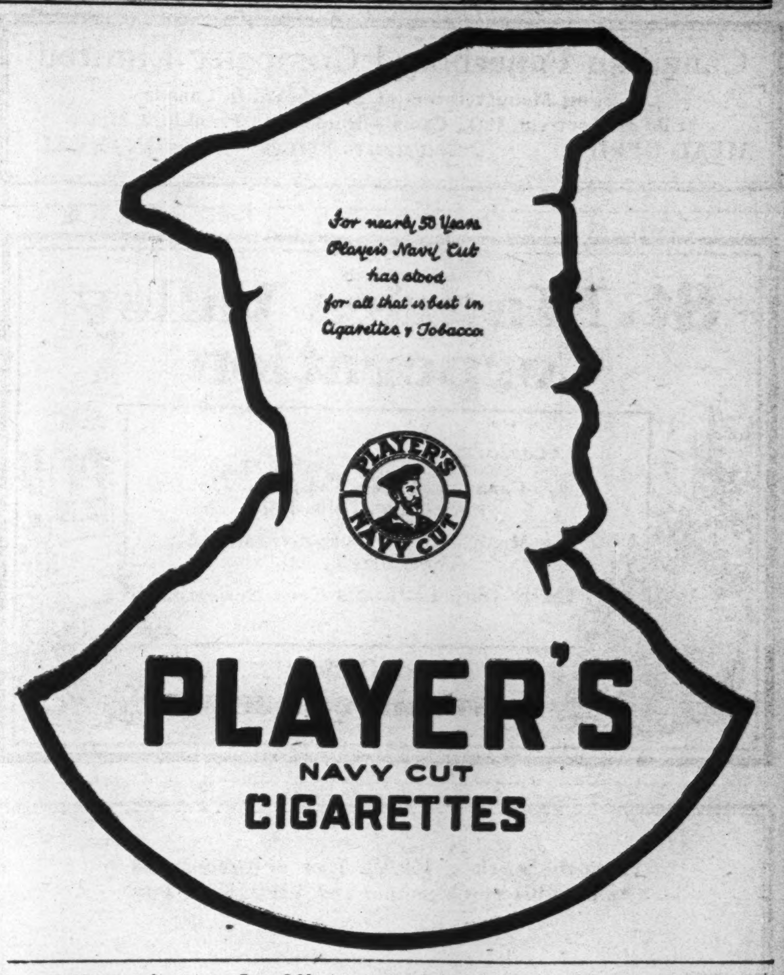
Big Oil Refinery is Being Planned For B.C.

SAN FRANCISCO.—Union Oil Co. of California is understood to be maturing a plan to invest $1,500,000 in a refinery at Barnett, B.C., to refine for the Pacific Northwest. It is found cheaper to ship crude to the Northwest than refined products.

Stock Market Record

WEEK ENDING AUGUST 24

	Div. Rate	Yield Aug. 23	High for wk.	Low for wk.	Close Aug. 24	Close Aug. 17	Sales for wk.	Range, 1926 High	Range, 1926 Low
Banks—									
Commerce	12+1	5.82	223	220	221	222	160	226	214
Dominion	12+1	6.27	207	207	207	207	60	219	207
Can. Nationale	10	6.21	157½	157½	157½	161	1	170	157
Imperial	12+1	6.37	205	204	205	204	49	215½	200
Montreal	12+2	5.22	269	267	267½	270	45	272	251½
Nova Scotia	16	5.42	295	292	293	293	70	300	281
Royal	12+2	5.60	251	249½	250½	250½	85	255⅛	248
Standard	12	6.28	191	190¾	191	191	7	200	190
Toronto	12	5.52	217	217	217	218½	2	222	213
Paper—									
Abitibi, com. (no par)	4	4.52	88¾	83¾	88	84	23543	88⅝	70¼
Do. pref.	7	6.42	..	...	...	...	...	116	106¾
Belgo-Can., pref.	7	7.00	100	99½	100	99	280	101	95¾
Brompton (no par)	.	...	35	33¾	34½	34	7476	35¼	26
Laurentide	6	5.58	108½	100	104	93⅛	67631	108½	81½
Price Bros., com.	2	2.85	71	70	71	71	515	74½	57
Do. pref.	6½	6.50	100½	99¾	100½	100	133	100½	95
Prov. Paper, com.	6+1	6.63	105	105	105	107	5	107	100
Do. pref.	7	6.60	106	106	106	106½	7	106½	100
Smith, Howard, com.	.	...	58	55½	55½	56½	1610	58¾	38
Do. pref.	8	8.00	100½	98	100½	98	66	101	92¾
Span. River, com.	7	6.45	109	104¾	106¾	105½	9805	109	96½
Do. pref.	7	5.93	119	117	117	116½	246	119	108
Wayagamack	.	...	99	91	95	87½	2965	99	56
Steel and Steel Industries—									
B. E. Steel, com.	.	...	1	½	½	½	16	3½	¼
Do. 1st pref.	.	...	10	10	10	10	115	30	9
Do. 2nd pref.	.	...	..	...	...	...	...	10¾	¼
Can. Car & Found., com.	.	...	..	...	...	...	...	49	33
Do. pref.	7	8.58	82½	81½	81½	82	120	85¾	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C.G.E., com. (par $50)	.	...	..	...	...	...	...	51	47
Do. pref. (par $50)	7	6.30	55½	55	55½	55½	60	60	48
Can. Locomotive, com.	.	...	40	40	40	39	48	42	35
Do. pref.	7	8.75	..	...	...	...	...	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42	39
Can. Forgings, pref.	.	...	..	...	...	...	...	50	41½
Dominion Coal	.	...	51¾	50⅛	51¾	50	175	52	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4	3.86	104½	99	103¾	100	250½	104½	86
Dom. Radiator, pref.	7	6.93	..	...	...	...	...	103½	100¼
Dom. Steel Corp., pref.	.	...	..	...	...	...	...	25	10⅝
Ford Motor	.	...	..	...	...	...	...	622	500
Do. pref.	7	7.77	90	25	25½	24	95	26½	15
McKin. Ind. c. (no par)	.	...	25½	89½	90	90	40	92	87
Massey-Harris, com.	.	...	65	62⅛	64	65	860	65½	40
Do. pref.	7	7.29	96	95½	96	95½	350	97	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	25
Ontario Steel, com.	4+1	6.75	75	74	75	74½	300	76	60
Do. pref.	7	7.00	..	...	...	...	...	102	98
Russell Motor, com.	3	7.50	41	41	41	40	15	42	39
Do. pref.	7	7.77	90	90	90	91	50	91	76
Sawyer-Massey, prey.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.43	109	107½	107½	109	897	109	95⅛
Do. pref.	7	5.73	122	122	122	121	32	123	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	..	...	...	...	...	26⅝	18
Do. pref.	7	7.77	..	...	...	...	...	92	89½
Atlantic Sugar, com.	.	...	23½	23¼	23¼	24	350	33⅞	21½
Do. pref.	.	...	80½	80	80	80	100	88	75
B.C. Fishing	5	6.66	75	72¼	74½	72¼	1010	78	57¼
Can. Bread, com. (no par)	.	...	82	80	81⅞	80	815	82	53
Do. pref. (A)	7	6.42	109	108	108	109½	10	110	105
Do. pref. (B)	7	6.82	102½	100	102½	100	128	102½	96¼
Can. Canners, com.	.	...	13½	13	13	13	38	15	12
Do. pref.	4	5.81	69	67½	68½	68	1963	70	60
Canadian Salt	8	5.97	134	134	134	134	1	145	124
Christie Bis. c. (no par)	30c	...	..	...	...	...	...	63½	44¼
Can. Bak., com. (no par)	.	...	34	32½	34	32½	130	37¾	26½
Do. pref.	7	7.36	95	94½	95	94	4	98½	92½
City Dairy, com. (par $25)	12	4.00	75	74½	74⅞	75	165	81	64¼
Do. pref.	7	6.30	110	110	110	111	25	112	107
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	3
Do. pref.	.	...	..	...	...	...	...	28	21½
Dominion St. c. (no par)	60c	...	..	...	...	...	...	68	56
Do. pref.	.	...	..	...	...	...	...	116	106
Wm. Davies (A) (no par)	.	...	31	30¾	30¾	30½	110	37½	29
Inter. Milling, pref.	7	7.01	99⅞	99½	99⅞	99½	90	105¼	99
Lake of Woods, com.	12	7.74	155	155	155	155	115	175	139
Do. pref.	7	5.93	118	118	118	117	10	118	115
Loblaw, com.	.	...	30	30	30	30	20	30	29¾
Loblaw, pref.	.	...	102	101	102	101½	11	102	100½
Maple Leaf Mill., com.	.	...	60½	60	60	60	78	88	50⅛
Do. pref.	7	7.36	95	93	95	94½	33	102	90
Ogilvie Flour, com.	5	2.61	191	191	191	195	85	200	165½
Do. pref.	7	5.98	..	...	...	...	...	125	117
Pure G. Mfg. (no par)	50c	...	20	19	19	20	245	23½	17½
Sh. W. New, c. (no par)	75c	6.00	50½	50	50	50	153	51¼	47½
St. Law. Flour, com.	.	...	35	34	35	35	183	45	28
Do. pref.	7	8.75	83½	80	83½	82	116	84	80
Viau Biscuits, com.	.	...	27¼	27¼	27¼	27	75	28	18
Do. pref.	7	7.95	..	...	...	...	...	89	85
West. Gros., c. (new)	.	...	..	...	...	...	...	27	24
Do. pref. (new)	7	10.00	..	...	...	...	...	70	62
Do. com. (old))	.	...	4	4	4	5	4	13¼	4
West. Can. Flour, com.	.	...	18½	18½	18½	18½	20	18¾	18
West. Can. Flour	.	...	..	...	...	...	...	115	110
Utilities—									
Bell Telephone	8	5.79	138¼	138	138	138	417	141	136
Consumers Gas	10	5.74	175	173½	175	173¼	66	183⅞	170
Inter. Util. (A) (no par)	87¼	...	..	...	...	...	...	38½	31¼
Con. Gas rights	.	...	..	...	...	...	...	485	390
Cedar Rapids	3	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	32	25
Jamaica Pub. Ser., pref.	7	7.14	98	98	98	97	5	99¼	96½
Laurentide Power	5	4.54	110	110	110	110	5	110	100
Mackay, com.	7	5.16	135½	134½	134½	135½	96	136½	105
Do. pref.	4	5.55	73	71½	72½	71½	327	73½	68¾
Mexican Light, com.	.	...	..	...	...	...	...	31⅞	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Pr. Cons.	8	3.38	240	234	240	235	7010	240	209
Do. (New) com.	.	...	65	61	64¾	62¼	21465	65	59
Do. (New) pref.	.	...	49¾	48⅛	49¾	49¼	12283	50½	48⅛
Montreal Teleg. (par $40)	8	6.66	49	48	48½	48	110	51½	48
Ottawa L. H. & Pr. com.	6	6.18	97	97	97	98	25	100	92
Do. pref.	6½	6.40	..	...	...	...	...	105¼	100
Quebec Power, com.	5	3.90	128½	126	128½	127	60	130¼	113
Do. pref.	7	6.36	111	111	111	111	15	116	109½
Shawinigan	8	3.61	219½	209	217	211½	4527	221	167½
South. Can. Pr., com.	2.00	2.04	98	93	98	96	513	98	81
Do. pref.	6	6.00	102	100	100	100	130	1 04½	99
Do. rights	.	...	..	...	...	...	...	2	3¾
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	46	25
Calgary P.	.	...	52½	51	52½	...	77	52½	51
Transportation—									
Can. Pacific Rly.	10	5.99	167	164¼	166½	165	101	167	147
Can. Steamships, com.	.	...	20	18¾	20	19⅛	960	20	11
Do. pref.	.	...	80	74¼	78	75	6918	80	56
Do. voting	.	...	20	17½	19¾	18	5191	20	11
Tractions—									
Barcelona (par $50)	.	...	36⅜	35½	36⅜	36	20	36½	26
Brazilian, com.	5	4.28	119½	109½	118	110½	153512	119½	80
Do. pref.	6	5.66	106	105¾	106	106	172	106	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	1¾
Duluth-Superior	.	...	27⅜	27	27	28	45	33¼	25
Illinois Traction, pref.	6	...	..	...	...	...	...	96¼	96¼
Montreal Trams.	10	5.79	..	...	...	...	...	178	159
Otatwa Traction	4+1	8.06	61	61	61	62	80	65⅞	60
Porto Rico Rlys., com.	.	...	44	44	44	44	10	47	40
Do. pref.	7	7.95	89	87½	88	88	12	91	85½
Twin City, com.	5	7.24	70	68½	69	69½	1001	79½	68¼
Do. pref.	7	6.86	..	...	...	...	...	103	102
Winnipeg Elec., com.	1	...	54½	50	54¼	50¼	6945	54⅞	45¼
Do. pref.	7	7.00	100	99	99	98½	70	100½	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	40	40	40	40	45	49	37
Can. Converters	7	7.69	91	90	91	91	173	94	90
Can. Cotton, com.	8	6.66	115½	115½	115½	120	35	124	113
Do. pref.	6	6.41	..	...	...	...	...	99½	93½
Can. Woollens, com.	.	...	..	...	...	...	...	8	4
Do. pref.	.	...	..	...	...	...	...	50	45
Dom. Textile, com.	5	5.18	97	93	96¼	94	2077	99⅛	89
Do. pref.	7	5.88	..	...	...	...	...	122	115
Monarch Knitting, preg.	.	...	..	...	...	...	...	50	45
Montreal Cottons, com.	6	5.35	..	...	...	...	...	111	102
Do. pref.	7	6.06	..	...	...	...	...	115½	110
Penmans, com.	8	4.25	188	187	187½	188	45	190	173
Do. pref.	6	5.88	..	...	...	...	...	104½	101½
Wabasso Cotton	4	5.55	73	70	73	70	190	70	60
General Industrials—									
Amer. Sales, c. (par $20)	4	6.29	..	...	...	...	...	70	54
Do. pref.	7	7.36	95	94¼	95	94⅛	22	98	92
Asbestos Corp., com.	6	...	..	...	...	...	...	110	89
Do. pref.	6	...	..	...	...	...	...	128	109
Do.. com. (new)	.	...	18	17½	18	18	674	24½	16½
Do. pref. (new)	7	9.72	72	70	71	71	719	79¾	62
Building Products, pref.	7	7.86	89	89	89	87	15	89	83
Brant. Cord. pf. (par $25)	8	8.00	25	24½	25	24½	292	27½	24½
Burt, F. N., c. (par $25)	12	5.26	57½	56½	57	56	238	67½	50
Canada Cement, com.	6	5.66	106½	105½	105½	106½	56	111½	98
Do. pref.	7	6.16	113¾	113¼	113¼	113¼	19	120	113
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alc. (no par)	1.28	7.11	19	18¼	18¼	19	1943	20	16¼
Crow's Nest Coal	6	8.51	70½	66	70	65⅜	160	85	51
Dom. Glass, com.	7	7.52	94	92	94	92	326	105	85
Do. pref.	7	6.60	..	...	...	...	...	111	105½
East. Theat. c. (par $25)	.	...	28	28	28	28	12	28	18¾
Do. pref.	7	7.75	..	...	...	...	...	90¼	83
Famous Players, com.	.	...	..	...	...	...	...	18½	11
Do. pref.	8	8.98	90	89	90	90	37	94¼	88
Gilman, com.	6	4.80	125	125	125	125½	10	126	104½
Do. pref.	7	5.44	130	130	130	128½	25	130	113½
Goodyear Tire, pref.	7	7.25	98	96½	96½	98	178	98½	85
Holt Renfrew, pref.	7	8.14	..	...	...	...	...	90	85½
King Ed. Hotel	.	...	31	31	31	31	4	41	25
Kelvinator, com. (no par)	.	...	16	14	15	14½	320	20¼	14
Do. pref.	7	7.77	90	89¾	90	90	18	93⅞	88
Lyall Construction	.	...	40	39	39	40	26	48	20
Nat. Brew., c. (par $25)	4	6.25	64	63	64	63	5163	69	56
Do. pref.	7	6.60	..	...	...	...	...	110	106
National Brick, com.	.	...	..	...	...	...	...	12½	8
Do. pref.	7	11.66	61	60	60	61	70	72	60
Pacific Burt, com.	6	6.48	92½	92½	92½	92½	10	110	90
Do. pref.	7	6.60	103	103	103	106	10	110	102
Port Hope Sanitary, com.	3	3.40	..	...	...	...	...	88	74½
Do. pref.	7	6.86	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	..	...	...	...	...	67	45
Do. pref.	7	.760	92	92	92	92	20	97	90
Sherwin-Williams, com.	6	4.38	137½	137	137½	138	60	138	125
Do. pref.	7	6.08	115	115	115	115	10	115	110½
Sterling Coal	4	10.25	39	39	39	39½	15	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	..	...	...	...	...	60	55
Tuckett Tobacco, com.	4	6.78	..	...	...	...	...	65	58
Do. pref.	7	6.66	105	105	105	105	12	105	100
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	8.04	88	87	87	87	32	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.97	92	92	92	90½	72	100	90
Can. Permanent	12	5.71	210	210	210	209½	11	210	202½
Colonial Invest.	6	...	..	...	...	...	...	7	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.66	132½	132½	132½	132¼	1	133	127½
Landed Banking	9	6.00	..	...	...	...	...	50	50
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.83	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	85	85
Toronto Gen. Trusts	12	5.33	225	223	225	224	10	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	7.07	..	...	...	...	...	101	98
THE CURB MARKET									
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Tttendu Eng.	.	...	31	29	29	31½	690	43¼	7
Beacon Oil	.	...	18	17¾	18	18	235	19½	14¼
Belding, pref.	7	...	..	...	...	...	...	101	75
Brit. Amer. Oil (par $25)	10	4.16	60	54	59	54¼	2108	60	47
Can. Nor. Pr., com.	.	...	..	...	...	...	...	30	28
Can. Oil, com.	1¼	...	80	80	80	79	2	80	65
Do. pref.	8	7.27	111	110	111	109½	128	111	100
Cockshutt, pref.	.	...	68¼	67	67	69	110	69	57¼
Continental Oil	25c	1.25	..	...	...	...	...	26	20
Dom. Eng.	.	...	..	...	...	...	...	85	65
Dryden Power (no par)	.	...	7½	7	7½	7½	510	11	5½
East Engineering	.	...	..	...	...	...	...	2¾	1
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	..	...	...	...	...	72	59½
Good. & Worts	6	2.10	285	285	285	292	10	300⅛	193
Illinois Power, pref.	7	7.07	99	99	99	99	15	99¾	96
Imperial Oil	1.00	2.70	37	36	36¾	36¼	2851	38½	32½
Inter. Petroleum	75c	2.20	34⅝	33¾	34⅝	34	470	35½	29¼
Manitoba Power	.	...	41¾	40	41¾	40	260	43	24
Newsprint Co.	.	...	..	...	...	...	...	27	18
North St. Oil, c. (par $5)	.	...	1.25	125	125	115	20	125	75
Do. pref.	7	...	490	490	490	480	100	490	450
Nor. Mex. Pr., com.	.	...	43½	43½	43½	43½	10	55	40
McColl Oil	.	...	22½	21	21½	22½	1707	22¾	18⅞
N.S. Car, pref.	.	...	..	...	...	...	...	15	7½
Page Hersey, com (new)	.	...	47½	45¾	46	47½	218	49	43
Do. pref. (new)	.	...	102	101	101⅞	102¾	232	104	100½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	98	75
Power Corp. (no par)	.	...	..	...	...	...	...	28¼	22
Pressed Metals	.	...	..	...	...	...	...	40	30
St. Low. Pr. (no par)	.	...	50	41	48¾	40	950	50	35
St. Maurice Valley	.	...	51	46	51	46	580	53½	40
St. Maurice Pr.	.	...	80	73	73	75	26	82	72½
Simpsons, pref.	6	6.00	..	...	...	...	...	102	99
Toronto R. S.	.	...	1.60	160	160	160	80	160	110
Un. Secs., com.	.	...	50	50	50	50	315	65	50
Good. & Worts (new) com.	.	...	29⅛	28¾	29	29	1875	33¾	27½



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Pulp and Paper

PAPER TONNAGE INCREASING AND CONSUMPTION TOO

Greater Demand Has Largely Disposed of Over-production Fears

From Our Own Correspondent.

To operate 1926—	Tons
Port Alfred	200
Powell River	100
Belgo	200
Brompton	100
xWaterway	150
Manitoba	100
St. Lawrence	150
	950

To operate first six months, 1927—	Tons
Thunder Bay	100
Canadian International	450
Ste. Anne's	200
xWashington	100
Fort Frances	100
	950

x Both mills to operate in U. S.

Present Capacity	Tons per day
Canadian mills	6,333
U. S. mills	5,688
Total	12,021
Newfoundland mills	670
Mexican mills	50
Total North American	12,741
Projected increase by June, 1927	1,850
	14,591
Increase in 1925	13%
Increase 7 months, 1926	16%
Increase by June, 1927	14%

MONTREAL.—The foregoing figures show the present state of the newsprint industry in its relation to new production about to come on the market up to June, 1927. The significant thing about the figures is the fact that production in the United States and Canada showed an increase of 16 per cent. during the first half of the present year as compared with an increased production during the whole of 1925 of only 13 per cent. The large increase is the more remarkable in that consumption has more than kept pace with the jump in the output.

To-day, publishers and newsprint mills have smaller stocks on hand than they have had for several years. Thus, in the first seven months of this year, the increase of 16 per cent. compares favorably with a projected increase in the next ten months of 14 per cent.

The fact that before next June, two U. S. mills will increase their output, will come as a surprise to followers of the newsprint industry here for it has long been maintained that the industry in the States was on the decline. But there are probably special circumstances surrounding these two additions. One of the mills proposes to obtain a great portion of its raw material from waste paper and the other is located on the Pacific Coast where it is probably more fortunate than some of its fellow mills in the matter of timber supply.

Demand Was a Surprise

Whether or not, at present market prices, the newsprint companies as a group are a buy for a comparatively short hold is a matter for pure speculation. Last year, every newsprint man on this continent was well aware that there would be this phenomenal increase in the capacity of the mills during the first half of the present year—it is safe to say that the majority of those engaged in the industry rather feared the results which would accrue from the increase. With the consumption more than keeping pace with production this year, those who were pessimists seven or eight months ago have been proven wrong. Certain it is, though, that the oncoming increases do not look so formidable as they did nine or ten months ago.

Incidentally, it is of interest to note that A. R. Graustein, the president of the International Paper, was one of the few who last year faced the future with equanimity and who towards the close of 1925 made no bearish prophecies to press, on the outlook. But then Graustein's opportunities for forecasting the future were greater than those which are afforded to others—including those actually in the trade.

May be Somewhat Lower

The figures shown in the foregoing, of course, must not be taken at their actual face value for, in the first place, some of these mills might not be producing until long after their

(Continued on Page 14)

International Paper to Expand Further

From Our Own Correspondent.

MONTREAL.—While the present expansion program in Canada of the International Paper Company is large and includes development of such magnitude as the Gatineau Power Company, the St. John River Power Company and the big new newsprint mill at East Templeton, P.Q., yet even further expansion is planned and, during the next four years, the company will erect yet another pulp and paper development, with which will be coupled a further power development. Plans are in the making for the erection of this further mill on the Quinze River to utilize the company's adjacent valuable water powers and timber reserves.

ST. LAWRENCE REPORT SOON

MONTREAL.—Shortly the annual financial statement of the St. Lawrence Paper Mills Company will make its appearance; it is generally known that the statement to be presented will be the strongest yet published. The common shares in the company have been in demand of late and have changed hands on the curb at 50. It is understood that, while the stock is strong, yet this is due solely to the company's earning position and not to any merger negotiations between the St. Lawrence and any other company.

Abitibi is Attracting Much Attention in Wall Street

MONTREAL.—Abitibi seems to have more or less won its spurs in the New York market. An example of what they think of Abitibi in Wall Street is furnished by the following excerpt of an analysis by a New York commentator last week: "Expanding sales of water power by Abitibi give every indication of continuing in increased volume in future years and earnings should steadily improve, subject only to occasional minor setbacks. Competition in th newsprint industry is obviously keen, but Abitibi is firmly entrenched and favored with not only low present production costs, but an outlook for further progressive improvement. Although the company has not increased the number of machines in use, its output last year averaged 12.3 tons per day over that of 1924 and 37 over that of 1923, reflecting credit upon the management's ability. Results for this year to date are showing further considerable improvement. The company closed 1925 with cash alone more than covering all current liabilities."

WAY CLEARED FOR BROMPTON'S BONDS

New Mill is Well Ahead of Schedule—Earnings Up $75,000

From Our Own Correspondent.

MONTREAL. — The shareholders of the Brompton Pulp and Paper Company have authorized the change in capitalization and, with the application to amend the letters patent, this week, the shareholders will authorize the actual creation of the new $5,000,000 issue. The resolutions covering the new bonds were unanimously approved and the vote cast was considerably larger than the required three-quarters of the preferred and two-thirds of the common shares.

The amount of the new bond issue is limited to $5,000,000, and if any further financing should be required in the future, the consent of the shareholders will again be sought.

Take Conservative Stand

The management of the company has taken a sound, conservative stand in deciding not to resume dividend payments until there is a practical certainty that these payments may be maintained. Probably, there will be no further talk of dividends until the management has ascertained the results which will be obtained from the new newsprint mill at Bromptonville. The construction work on this plant is now well ahead of schedule and costs are well within the original estimates. Provided there is no hitch in the installation of the machinery, the mill should be making paper by December 1, instead of by January 1, as was originally anticipated.

The president of the company, F. N. McCrea, has announced that earnings this year are well ahead of 1925; the improvement in the first six months amounts to $75,000. The company has not utilized any of its earnings in the construction of the new mill; it will be entirely financed by the new bond issue.

Output of Kipawa Mill Goes to Rayon Mills

From Our Own Correspondent

MONTREAL.—The Kipawa Mill of the International Paper Co. at Temiskaming, Quebec, is now devoted entirely to the production of sulphite pulp to be used in the manufacture of rayon. Reduction of rayon prices on June 1 last has stimulated sales to an extent that the demand for raw material has made this step necessary.

Kipawa produces approximately one-half of all wood-pulp used for the manufacture of rayon throughout the world, its product going to a number of foreign countries, including Japan, the centre of natural silk production. A representative of the mill has just sailed for Japan to aid in developing this market for raw materials used in making rayon.

Fraser's New Mill Plans Arranged Next Spring

From Our Own Correspondent.

MONTREAL. — Definite plans regarding the new 200 or 250-ton newsprint mill of the Fraser Companies will not be arranged until next spring. While the company has already contracted for a supply of power from the Grand Falls development, upon which work has already begun by the St. John River Power Co., yet this power will not be available until about July, 1928, and therefore, it will not be necessary to have the mill ready for operation until that date.

It has not yet been definitely decided whether there will be further public financing by the company to erect the new newsprint mill. On the face of it, though, it seems probable that some financing of some sort will be undertaken — possibly, though, this might be accomplished privately.

Ste. Anne Paper Company May Do Some Financing

From Our Own Correspondent.

MONTREAL.—The Ste. Anne Paper Co. which is to erect its mill at Beaupre, Quebec, will be completed and producing newsprint by the middle of 1927. The company has been formed by interests associated with Spanish River and Abitibi in conjunction with J. T. Donohue who operates a mill with a daily capacity of 120 tons of groundwood pulp at Murray Bay, P.Q.

The new mill is to be located on tidewater and has ample railway facilities. The equipment will consist of two 234 inch machines with a rated capacity of 250 tons. It is anticipated that financing will be undertaken fairly shortly, but this is by no means assured as yet. The capitalization is as follows:

1st Mortgage Bonds	$6,000,000
Debentures	2,000,000
Preferred Stock	3,000,000
Common stock—no par value	100,000 shs.

The contracts for the construction of the company's two newsprint machines have already been let to the Dominion Engineering Works.

Newsprint Output is Setting New High Mark

Operating at 99 per cent. of rated capacity, Canadian mills produced 163,037 tons of newsprint in July, according to figures just released by the News Print Service Bureau, New York. This was a new monthly high record for all time and marked a gain of 4,436 over the preceding month. Since the beginning of the present year, production has increased approximately 20,000 tons per month, January output having been 143,148 tons.

American mills operated at 95 per cent. of rated capacity during July and produced 140,516 tons of newsprint, a decline of 1,650 tons as compared with June. Combined production of the two countries established a new high record for the year at 303,553 tons, the previous high having been in June with a production of 300,767 tons.

It is notable that consumption is more than keeping up with this higher rate of output. Combined shipments during the month exceeded production, and the mill stocks at the end of the month were the lowest this year, being equal to only 2½ days' average production.

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Iron and Steel

SCOTIA SHOULD BENEFIT BY THE NEW AGREEMENT

Directors of Scotia and Dominion Agree as to Dividing Line

HALIFAX.—That the agreement which has been consummated regarding the exchange of coal areas between Scotia and the Dominion companies was much better for Scotia than the proposals made in 1919 when there was agitation for re-arrangement of the areas stated by Hector McInnes, K.C., in reply to a question by Donald C. Sinclair, K.C., of New Glasgow, at a special meeting of the shareholders of the Nova Scotia Steel and Coal Co. The matter had been under consideration for a number of years but recently committees from the directorates of both companies had been meeting and studying a basis of settlement and as a result of the ratification of the agreement the opinion of those deeply interested in both companies is that Scotia and Dominion are in a stronger position as a result of the exchange.

Showing in detail the reasons which prompted the exchange of areas, Chairman McInnes outlined by the use of blue prints the advantages that would accrue to both companies as a result of the agreement which has been arranged and approved by the Scotia and Dominion boards of directors and also ratified by the Eastern Trust Co. and the Royal Trust Co. acting for Scotia and Dominion bondholders respectively.

It was pointed out that some considerable time was spent in the study of the situation by the Scotia committee consisting of Col. Thomas Cantley of New Glasgow, Hon. Lorne C. Webster of Montreal, and W. D. Ross of Toronto, and the Dominion Coal Committee consisting of President Roy M. Wolvin. Hon. C. P. Beaubien and Hon. Senator Casgrain of Montreal. Col. Cantley was chairman of the joint committee.

It will be recalled that in 1919 there was wide public discussion in regard to the exchange of areas. Protest meetings were held in Pictou County and Cape Breton and both companies presented their case through the medium of the press. In the Nova Scotia legislature an act was finally passed, only one member voting in opposition, making the re-arrangement possible. Shortly after this Scotia merger the British Empire Steel Corporation was formed and nothing further was done until recently and at yesterday's meeting the agreement was ratified. Scotia's position over the proposed agreement of 1919 is improved to the extent that a very valuable block of coal adjoining the famous Old Sydney seam is now available and can be operated by the Scotia company. Old Sydney coal is regarded as the best bituminous product in the province. In discussing the matter with a prominent Scotia and Dominion shareholder following the meeting the following review of the situation was given:

For some years past the question of an exchange of submarine areas between the Scotia and the Dominion Companies at North Sydney has been before the public. In 1919 the legislature of Nova Scotia practically unanimously passed an act to enable the governor-in-council to take steps to correct the anomalous position that had grown up at North Sydney.

The Dominion Coal Co. owned submarine leases adjacent to Scotia workings and in order for Scotia to carry on its operations to the best advantage it would continue seaward its mines into the property of the Dominion Co.

On the north and east side of the harbor in a similar way the Scotia Co. owned areas that were necessary for the Dominion Co. to continue its workings.

As a result of the merger the Scotia Co. continued its workings into the Dominion Co.'s property and the Dominion is now taking some coal from Scotia's properties, on each company paying over a royalty.

The directors of the respective companies have agreed that there shall be a common division line between the two companies and that the areas on the Scotia side of the harbor and seaward shall be transferred to it, while those contiguous to Dominion shall be transferred to that company.

After the directors had come to this agreement the trust companies made their investigations and had reports from experts, who reported for their respective trust companies that the exchange was fair, and recommended it. Hiram Donkin acted for the Eastern Trust Co., who made the report of the Scotia areas.

The Dominion Co. gives a sub-lease to Scotia of over two square miles from its 99 year lease. This contains a very valuable block of coal, as it was from adjoining property that the highly regarded Old Sydney coal was extracted.

The Dominion Co. had a contract to buy the Burchell areas and when the payments for these have been completed by the Dominion Co. these areas will be conveyed to Scotia.

There was a great deal of feeling between the companies at the time the act was passed in 1919. The only change that was made in the proposed division then and the present agreement is the granting to the Scotia Co. of the part of the blanket lease.

$3,500,000 Bridge In Vancouver

British, American and Canadian private capital seek permission to build a bridge across the entrance to Vancouver harbor, at a cost of $3,500,000. Another illustration of the fact that Vancouver is a field for investment of which it is necessary to be informed.

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Besco Plant at Sydney Assured of Busy Winter

SYDNEY.—Actual production of rails to fill the 25,000 ton C.P.R. order announced by The Post last Friday, was started on Monday at the Sydney steel plant. There have also been received from private sources large nail orders sufficient to keep the wire and nail department going for about four months. In addition, a C.N.R. rail order is expected for the last of the year. This business, with incidental orders that come in from time to time, should ensure a fairly busy winter at the Besco plant. At present there are 2,100 men on the payroll, but for some time only about a third of these have been on full time, some of the remainder working only about two days a week.

This is the first large C.P.R. order for Sydney in 17 years, with the exception of a small trial order of 1,300 tons rolled here last year.

Another Election to Decide O.B.U. - U.M.W. Issue in C.B.

SYDNEY.—The strength of the O.B.U. in Cape Breton is shrouded in still deeper mystery by the indecisive result of the U.M.W. district elections. The most surprising feature of the whole contest was the indifference shown by the membership, only about one-third taking the trouble to go to the polls at all.

The only former officer decisively defeated was Joseph Nearing, the vice-president, who while regarded as a radical, has no use for the O.B.U., so his fate furnishes no clue to the riddle.

John W. MacLeod, the man who led the miners through the big strike of 1925 and conducted their case before the Duncan board that brought comparative peace to the coalfield, led the presidential poll by a large margin.

There was a very large number of candidates, so that neither MacLeod nor any of his officers had the clear majority of all votes cast that the U.M.W. constitution requires. Consequently the whole contest will be run over within the next 30 days, but there will be only about two candidates for each office—namely, the two polling the highest vote in the first election.

Pressed Metals Proposals Are Likely to be Passed

It is understood that sufficient proxies have already been deposited with the management of Pressed Metals, Ltd., to assure the passing of the necessary by-laws for the changing of the capital structure, to be voted upon at the forthcoming annual meeting. The proposal to create new 7 per cent. preferred stock and exchange it for the present 8 per cent. preferred stock, share for share, and make full settlement of arrears of dividends, which equal $40, by giving shareholders one-half share of new $100 par value 7 per cent. preferred stock in lieu of these arrears, will, it is claimed, be ideal, as it benefits not only the company but both preferred and common shareholders.

Dominion Bridge Company Has Increased Volume

MONTREAL.—The reason for the bettered market showing by the shares of the Dominion Bridge Company is due to the steady development in the company's business. With such major contracts as the new South Shore bridge at Montreal and that from the Aluminum Company of Canada and smaller jobs, such as the T. Eaton Company's store in Montreal and the Chateau Frontenac in Quebec, and others, the company's plant at Lachine, P.Q., is steadily increasing its output and is running in extra shifts three nights a week, in order to handle the increased volume of the work on hand.

Shortly, the steel work of the big new Royal Bank building in Montreal will commence, and there seems no doubt that "Bridge" will obtain this contract. Of course, contracts such as this benefit the company, but it is not the individual contract which affects the earnings so much as the general level of building, which alone is sufficient to indicate that "Bridge" is making good progress. Then again, the present developments in the pulp and paper industry have been very satisfactorily reflected in the operations of the subsidiary company, the Dominion Engineering Works. The company starts the erection of the steel on the new Montreal bridge next month.

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FACTORIES AT MONTREAL, TORONTO, OTTAWA WINNIPEG, WELLAND

HEAD OFFICE: MONTREAL

Public Utilities

"POWER" CUSTOMERS BUY 70,000 SHARES

Total Allotment to be 80,000 Shares and Employes Will Probably Absorb 10,000

From Our Own Correspondent.

MONTREAL. — The market has placed a valuation on the new preferred shares of the Montreal Light, Heat and Power Consolidated of about 50, and the new common changes hands at over 60. This, naturally, places a market valuation on the old stock of something over 230.

That "Power" would receive a ready response to its customer ownership campaign was assured long ago; but with the demand for the new common stock already so marked, it seems reasonable to presume that the offering of new common shares to the customers will be very largely over-subscribed and, thus, the demands of customers for stock will have to be scaled down, if the company is to keep within the limit of some 70,000 common shares which has been set.

It was originally thought that Montreal "Power" would offer its customers at least 100,000 shares, but the company has decided to offer to both its employees and customers only 80,000 shares. It is understood that the subscriptions of the employees will approximate 10,000 shares and, thus, there will remain only some 70,000 shares of the common stock available for subscription by the customers of the organization. These customers number some 200,000.

Already the interest of the customers in the offering is keen and there seems not the slightest doubt that the allotment will be subscribed many times over. Subscription warrants will be sent out to the customers on September 1; they may subscribe for from one to twenty shares at a price of $50 per share, payable $2 on subscription and $2 per month thereafter until the price has been fully paid.

There has been a general scramble for the new common stock of the company, which has resulted in the high market valuation of the new securities. The reason for the scramble lies in the wonderful record of the old shares; what this record has been is seen in the following figures:

Year	High	Low	Dividend
1916	83¼	76½	1%
1917	82⅞	68½	4%
1918	79¾	68½	4%
1919	93	84½	4½%
1920	90	77	5%
1921	89½	77½	5%
1922	104¾	85	5%
1923	143½	103½	6%
1924	188	140	7%
1925	220	152	8%
1926	236	209	8%

Quebec Southern Power Extends Its Territory

From Our Own Correspondent.

MONTREAL.—The Quebec Southern Power Corporation and its subsidiary, the Laurentian Hydro Electric, are making extensions to their transmission lines to serve the towns of Huberdeau and Arundel in the northern portion of their territory, St. Roch de l'Achigan and St. Callixte in the district bordering on Joliette, P. Q., and Ste. Monique and Ste. Augustine in the southern section of the corporation's territory. The last two municipalities are situated within a few miles of the Ottawa River just west of the island of Montreal.

These additions to the transmission line involve new construction covering some 40 miles, and an increase of about 1,000 in new retail customers.

'Peg Council Favors Deal With Company

From Our Own Correspondent.

MONTREAL.—The strength in the stock of the Winnipeg Electric Company is largely due to the fact that the power purchase agreement between the civic Hydro and the company has passed its second reading before the Winnipeg city council. There has been a group in the city council strongly opposed to the power purchase, but the voting was ten in favor and eight against.

Before the council a delegate from the Real Estate Exchange spoke in favor of the contract and it was also supported by such associations as the Board of Trade, the Employers' Association of Manitoba and the Canadian Manufacturers' Association. The labor aldermen are against the enactment.

The Winnipeg Electric Company recently signed a contract with the Hudson's Bay Company. The final signing of the contract would mean that the company would dispose of a large block of power on a long term basis. It is anticipated that the city will require immediately a substantial block of power.

One feature of Winnipeg Electric is the fact that it is equipped to handle a large increase in business without capital expenditure and without a similar increase in operating expenses.

Public Utility Earnings

JAMAICA PUBLIC SERVICE

Month of June	1926	1925
Gross earnings	52,774	50,981
Net earnings	20,287	17,928
Surplus after charges	14,015	11,106
12 Months Ending June 30	1926	1925
Gross earnings	640,570	597,257
Net earnings	243,266	202,314
Surplus after charges	167,565	121,623

The above figures converted from pound sterling at the rate of $4.86 2-3 to the pound.

SOUTHERN CANADA POWER

	July 1926	July 1925	Inc.
Gross earn.	$109,865	$ 98,083	$ 11,782
Oper. exp.	40,350	35,088	5,262
Net earn.	69,515	62,995	6,520
	10 mos. 1926	10 mos. 1925	Inc.
Gross	$1,147,796	$976,191	$171,605
Oper. exp.	388,435	418,701	*30,266
Net earn.	759,361	557,490	201,871

*Decrease.

B.C. ELECTRIC RAILWAY COMPANY

June—	1925	1926
Gross earn.	$ 901,192	$ 965,888
Working exp.	658,582	733,449
Net income	$ 242,610	$ 232,439
Gross earn. from July 1st to 30th June	$11,256,802	$12,041,565
Net earn. from July 1st to 30th June	$ 3,245,051	$ 3,369,729
At $4.85 to £	£ 669,082	£ 694,789

DOMINION POWER AND TRANSMISSION EARNINGS AND EXPENSES

	July, 1926	July, 1925
Gross earnings	$ 257,859	$ 252,893
Gross expenses	177,939	176,397
Net earnings	$79,920	$76,586
12 Months Ending July 31st, 1926	Current	Previous
Gross earnings	$3,130,610	$2,997,853
Gross expenses	2,088,137	2,116,823
Net earnings	$1,042,473	$881,030

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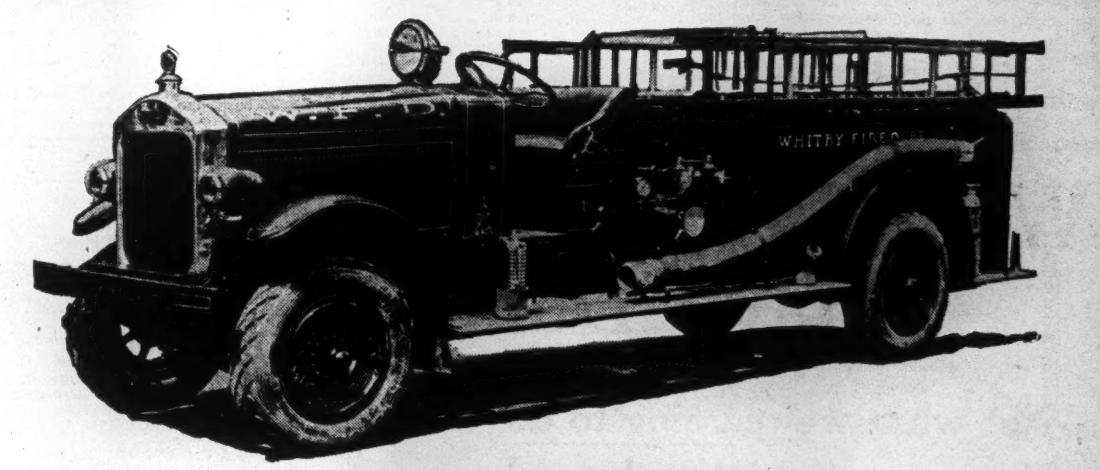

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News of the Mines: *A Department for Executives and Investors*

McINTYRE SHOWS BETTER EARNINGS: COSTS ARE PARED

Nothing Spectacular Accomplished During Year. Ore Reserve Up Some

McIntyre in the fiscal year ending June 30, 1926, earned $2.15 per share compared with $2.04 the previous year. The annual report is an all-round good one. The tonnage handled shows an increase and gross income from mining operations was up $260,000. Millheads were lower by 61 cents, while costs per ton were down 21 cents, there being a general paring down all through the cost sheets except in the case of development, which was seven cents per ton higher.

The balance sheet shows that surplus was cut into this year. This is a result of the company making heavy write offs, the total of undistributed development and depreciation amounting to over $1,000,000 or $400,000 more than the 1925 provision. General reserves now stand at $148,987 and depreciation and development at $2,496,389, or a total of $2,645,377 while plant and equipment are carried at $2,667,623 and mining property and development at $4,385,450, a total of $7,053,073.

Some changes are made in the balance sheet this year so that it is a little difficult to trace them. In 1925 investments in Blue Diamond Coal and Canadian Coal, $279,992; Blue Diamond advances $290,000; Platt Vet. investment $159,574; other $44,716 or a total of $774,283. This year's show the same coal investment but not the individual Blue Diamond advance. There is an advance of $540,000 to subsidiary Co. This may mean that the Blue Diamond is in to McIntyre for another $250,000. The Platt Veteran figures are missing and may now be included in property asset which is about $200,000 higher.

McIntyre total production has now reached $25,865,001 from 2,808,044 tons of ore, or an average of $9.21 per ton. It will be seen that in the treating of the ore a known $1,500,000 has gone out in tailings. The production figures by years since the mine started are found below.

The drive ahead McIntyre is making to open up the mine at deeper levels is shown by the figures on the footage.

	Total footage	Diamond drilling Ft.	Cub. ft. Excavated
1922	8,943	12,308	82,934
1923	12,416	14,808	63,905
1924	18,943	23,284	105,046
1925	13,941	23,380	76,454
1926	19,802	24,237	108,433
To date	143,642	147,337	657,894

Costs for two years in detail on a per ton basis follow:

	Costs per ton	
Milling	.8322	.9540
Mine exploration	.0660	.0915
Development	.6022	.5301
Break-stope	2.3924	2.4503
Exam. prospects	.0268	.0303
	3.0874	3.1022
Crushing Transp.	.1435	.1507
Camp main	.1140	.1109
Store-welfare	.0147	.0359
Mine general	.1732	.1825
Head office	.1996	.2208
Ins. Gen.	.0319	.0586
	$4.6025	$4.8156

Not a great increase was made in McIntyre's ore reserves during the year but much dead work was done. The figures on reserves for the past four years follow:

	Tons	Ozs.	Value
1923	858,504	$9.92	$ 8,514,800
1924	1,167,064	9.70	11,318,816
1925	1,348,283	9.20	12,428,903
1926	1,443,111	9.00	13,038,041

Profit and loss statement and balance sheet figures follow:

	1926 $	1925 $	1924 $	1923 $	1922 $
Bullion recovery	3,804,775	3,546,637	3,368,715	2,249,742	1,937,105
Operating Costs—					
Mining and development	1,423,003	1,241,701	1,139,819	799,875	771,815
Crushing and conveying	66,117	60,305	67,744	48,046	40,920
Milling	383,546	381,845	354,852	265,911	199,717
Miscellaneous camp costs	59,358	58,777	53,038	53,812	60,163
Administration and gen. mgnt. at mine	79,832	73,045	68,653	59,056	68,619
Administration gen., head office	83,980	83,873	81,015	80,744	85,989
Stock expense	9,329	4,485	4,302	8,850	......
Insurance	16,162	23,468	18,908	18,223	15,281
Operating costs	2,121,322	1,927,500	1,788,332	1,334,517	1,242,536
Oper. profit before taxes and deprec.	1,683,452	1,619,137	1,580,383	915,224	694,568
Non-operating Revenue—					
Interest, exchange	95,795	87,722	......	48,652	145,967
Miscellaneous earnings	8,649	8,111	......	7,967	20,824
	104,444	95,833	......	56,619	166,791
Total	1,787,896	1,714,970	1,580,383	971,843	861,360
Tax provision	66,514	96,084	91,914	52,677	52,421
Plant depreciation	......	......	......	......	256,192
Net profit before deprec.	1,721,382	1,618,886	1,488,469	919,166	552,747
ASSETS					
Current—					
Cash	169,614	219,783	514,757	243,657	66,307
Bullion	143,668	280,243	280,262	202,825	186,026
Spec. bank deposits	300,000	500,000	......	......	......
Demand loans	......	......	......	3,600	3,600
Dominion bonds	1,238,375	1,000,000	1,000,000	300,000	300,000
Accounts and interest payable	57,934	48,945	49,457	42,053	......
Notes receivable	......	21,337	......	......	53,632
Supplies at cost	164,715	157,107	167,805	161,834	104,932
	2,074,306	2,227,415	2,012,281	953,969	714,496
Investments—					
Blue Diamond Coal Co., Ltd., and Can. Coal Fields, Ltd.	279,992	279,992	279,992	279,992	279,992
Advances to subsid. co's.	540,000	290,000	290,000	290,000	290,000
Other investments	40,001	204,290	71,114	49,502	75,002
	859,993	784,283	1,326,077	619,494	644,994
Fixed Assets—					
Mining prop.	4,385,450	4,177,680	3,617,254	3,617,254	3,617,254
Plant and equipment	2,404,645	2,088,046	1,988,447	1,796,582	1,447,749
Additions during year	262,977	339,654	166,561	191,865	348,833
	7,053,072	6,605,380	5,772,262	5,605,701	5,413,836
Less obsolete equipment	......	23,054	66,963	......	......
		6,582,326	5,705,300		
Dev. undistributed	53,353	29,489	......	......	......
Operating and administ. prepay.	5,779	6,016	4,409	11,139	31,051
	10,046,505	9,619,529	9,048,067	7,190,303	6,804,379
LIABILITIES					
Capital Liabilities—					
Cap. stock auth. 800,000 shares at $5 par	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Capital stock issued	3,990,000	3,990,000	3,990,000	3,690,283	3,640,283
Surplus	3,176,805	3,311,542	3,137,488	1,796,614	......
Current Liabilities—					
Payrolls	57,735	54,815	39,940	35,768	27,736
Accounts	87,372	44,774	47,012	57,073	72,784
Prov. for taxes	71,921	108,921	93,537	53,364	53,976
Sundry liabilities	17,294	18,743	8,746	......	154,496
	234,322	227,254	189,235	146,206	......
Reserves—					
General reserve	148,987	148,987	148,987	148,987	148,987
Deprec. plant and equipment	2,496,389	1,941,745	1,582,355	1,409,212	1,222,190
	2,645,376	2,090,732	1,731,342	1,558,199	1,371,177
Total	10,046,505	9,619,529	9,048,067	7,190,303	6,804,378
Surplus July 1	3,311,543	3,137,489	1,795,615	1,638,422	1,646,207
Dividends	798,000	798,000	559,639	546,042	546,042
Sundry ads.	29,109	12,769	937	341	19,729
Devel. written off	460,759	268,943	96,901	139,598	......
Depreciation	568,251	2,365,120	295,629	179,658	......
	1,455,424	1,692,657	842,509	672,782	1,080,436
Add: Premium on shares cap. stock sold	......	......	611,272	100,008	......
Workmen's Comp. ins. liab.	......	......	......	......	3,271
Reinstatement of shares	......	......	195,239	......	......
Sales of sundry invest.	......	......	......	3,666	1,969
Net profit current year	1,721,383	1,618,886	1,488,469	919,166	552,746
Surplus June 30	3,176,807	3,311,543	3,137,489	1,795,614	1,638,422

McIntyre production to date by years follow:

Date	Tons Milled	Value Per Ton	Gross Value	Recovery Per Ton	Total Recovery
1912	14,500	7.00	101,555.16	5.25	76,166.38
1913	31,979	7.85	251,314.45	7.05	225,752.25
1915*	85,654	8.87	760,232.16	8.39	718,331.71
1916	105,758	7.71	815,345.49	7.38	779,990.94
1917*	195,307	10.00	1,954,793.28	9.55	1,864,914.28
1918	178,327	10.05	1,793,197.55	9.61	1,714,258.00
1919	179,874	9.78	1,759,627.40	9.29	1,671,646.03
1920	188,835	11.52	2,175,891.31	11.02	2,080,178.44
1921	171,916	11.67	2,005,672.00	11.08	1,904,326.36
1922	193,971	10.69	2,074,088.40	9.99	1,937,105.07
1923	240,615	9.96	2,397,303.00	9.35	2,249,741.68
1924	360,140	9.69	3,488,863.00	9.14	3,291,178.22
1925	400,259	9.43	3,774,068.00	8.86	3,546,637.52
1926	460,909	8.72	4,020,326.00	8.25	3,804,774.90
	2,808,044	9.75	27,372,277.20	9.21	25,865,001.73

*15 months.

CABOT TP. CLAIMS LOOK ATTRACTIVE

"The finding of gold in quantities from a mere trace up to roughly $10 per ton in every one of my samples shows conclusively that the properties are well worth systematic exploration and development," says W. E. Simpson, mining engineer, on his report on the Cabot Tp. group of Porcupine Kirkland Gold Mines, which it is intended to aggressively explore and develop. Mr. Simpson's examination was for the purpose of studying the geology and mapping out the work campaign.

The operation will be watched with interest. The company is going into an area long regarded as having much merit, but which has been neglected. Successful opening up of the property will add a very important section to the North's gold mining area. The claims are Southwest of Porcupine and are best reached from Gowgama on the C.N.R. They are 30 miles northeast. An interesting point is that the claims are just north of the height of land.

Mr. Simpson advises that some sinking be done before diamond drilling is undertaken. He suggests 1,000 shafts, 1,00-ft. or more and the shafts connected by a drift. Diamond drilling might then be undertaken, but again suggests that actual mine development is what is wanted. The showings, he says, are well worth following and the possibilities of developing big ore bodies are encouraging. He says they have the earmarks of being extensive.

RATHER GOOD NEWS FROM TURNER VALLEY

A significant development in Turner Valley oil field of late has been the encountering of a strong flow of gas by Home Oils, a private company, just above 2,000-ft. Later a small oil sand with a marked showing of oil was encountered.

The significance of this is that the Dakota horizon production is uniform in the southern portion of the field, and that the drilling depths there are no greater than in the central sector for wells located near the crest of the anticline.

From this premise, geologists draw the conclusion that the deep underlying limestone from which big production is obtained will be found also at the same relative depths in the southern as well as the northern end of the field.

From this it is evident that the Home Oils is drilling about 3½ miles south by east of Royalite four and about on the top of the fold. Advance and Dallas are the nearest wells.

Both McLeod and Vulcan continue to fish for lost bits. McLeod has ordered a naphtha separator. The well has been filled with mud, chloride and water to hold back the gas during the fishing for the lost bit which has retarded the full flow of the well.

There is nothing new about Western Consolidated well at Wainwright, though it was thought that a well would be in by this time. Emerald continues to show about 150-ft. of oil in the well.

STARTING UP COAST SMELTER

A start has been made to put the old Tyee copper smelter at Ladysmith into commission again. D. McBride will operate it and a concentration mill with flotation is to be added. The group that purchased it have mining properties in the vicinity and will also draw on customs ores.

Capitol Veins of Great Length, Says Manager

Capitol's annual report reveals little that is important. H. G. Young, manager, says results on the lower group of claims is encouraging, and on two veins of great length are being explored. They carry Cobalt and silver up to 400 ozs. He expresses the opinion that patience and exploration along sound lines will prove the property to be economically very important.

DOUBLING ITS PRODUCTION

B. C. Gold mine at Texada Island will double its mine operations and increase the mill 30 to 60 tons daily. It has been handling about 15 tons of late on one shift. The mine has about 1,000 tons of broken gold ore.

TECK HUGHES MILL

Teck-Huges is about to start on its new mill which will be built in units of 150 tons each. The plans for the present call for three units in addition to the 250 tons now handled.

VIPOND CAPITAL INCREASE

Vipond shareholders are being asked to approve a $500,000 increase in capitalization. It may be that share rights will be given shareholders somewhere under the present market.

B. C. MINE INSPECTOR DEAD

Geo. Wilkinson, chief inspector of mines in British Columbia, died recently.

What We Have Done

--Not what we're going to do
--Not even what others have done

This is a Story of Worth While Achievement — Not a Series of High Sounding Promises.

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ROBT. WILKINSON, President. Oil Operator.
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J. E. McGINNISS, Director. Advance-Rumely Co.
A. A. DICK, Director, Owner, Alexandra Hotel.
L. A. NEWMAN, Director, Farmer.
R. A. WILDERMAN, Director, Rancher.
GORDON GOODISON, Secretary-Treasurer.
E. C. SNIDER, Director, Barrister.
PEET, MARWOOD, MITCHELL & CO., Auditors.
ROYAL BANK OF CANADA, Bankers.

QUICK ACTION—Spudded first well, December 2, 1925. Received first cheque for oil produced March 1, 1926.

$1,051.75

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Lease in Montana in Heart of Producing Area.
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You can share in this successful venture if you act at once

The success of Ellis Oils, Limited, under the present management, has been of an impressive nature. It has brought the Company greater opportunity in other fields and they have acquired the North Half of the South Half of Legal Subdivisions 3 and 4 in Section 24, Township 20, Range 3, West of the 5th Meridian. This property comprises 20 acres and is exceptionally favorably located in Turner Valley, the wonder field of the world. This opportunity and the desire to drill immediately to the great wealth producing horizon on this property is the cause of the increase in capitalization and of the stock issue now offered.

The Company is in a sound position. It is now enlarging its field of operations, and the public is offered a chance to share in the Company's good fortune to the extent of $150,000. The issue will be quickly absorbed, and we trust you will act without delay. Write for our

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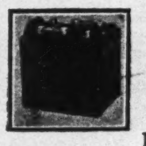

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News of the Mines

Principals in Howey-Dome Dispute Are All Good Poker Players

The recent battle of wits between the Dome group and the Howey Syndicate over the latter's property in Red Lake was really a keen contest between two groups of poker players. Dome crowd was represented by keen traders, sharp, well versed in law and finances, actuated by a desire to get a new property, but to get it cheap. It is believed that Alex. Fasken, secretary of Dome, and H. P. DePencier, Dome manager, were the men who handled the cards. They are a strong pair. It might be difficult to find a keener business man or dealer than Mr. Fasken. He plays well, for big stakes, and it would not surprise to learn that he was the father of the idea to drop the Howey group-play and the hand and gamble on getting the claims back cheaper. In his favor was the fact, that by dropping the group it would give it a black-eye.

By his side sat Mr. DePencier, a mining man of wide experience, keen, shrewd, a thinker, resourceful, and a keen dealer. He talks straight when he talks and his statements are always of value when the listener accepts them as having discounted conditions 50 per cent.

Pitted against the Dome group, the Howey Syndicate affairs were handled by one man, Jack Hammil. In the background he had a host of keen advisers to call upon. Hammil got the first ace in the hole in the very first hand. That was when he got Dome to sign a contract that provided that he was to be furnished with complete details of the results obtained in exploring the property.

Hammil learned his mining in the school of hard knocks and his knowledge of the tricks in dealing undoubtedly comes from costly experience dating all the way back to the early days of Gowganda. Howey's were lucky in getting Hammil with them. Hammil's shrewdness in getting the information clause in Dome contract and the knowledge thus gained strengthened his hand materially. Besides he has been in close touch with Douglas Wright, Dome geologist, in charge of Domes work on the property and perhaps not in close touch with Dome's poker game. Wright is sold on the Howey as a mine and it would not be surprising to see him play out his bet on the property, leave the Dome organization and play with Hammil. Hammil says on Dome's own figures the Harvey is a proven mine. But, Hammil has got to make another deal and they are not easily made. Dome's shrewd poker players know this and it would not surprise if the present move was not a part of the first hand Dome played. They may have figured that after kicking the first deal off, Hammil might have to offer them a second. They knew that $900,000 was a big price for 75 per cent. interest. Big in the way that it meant Dome only got 75 cents out of every $1 the property earned. If it was a bonanza this would work out alright. If not, they could play for better terms later when interest in the camp lagged—as it has.

Dome directors are now off the Howey board and Hammil is now busy on a new deal. Meanwhile he is rushing in supplies and equipment to the property and has contracted for delivery of 3,000 tons of supplies and mining equipment before winter sets in.

Dome on the other hand seems keen to get something else in Red Lake and has taken an option on a group of eight claims owned by Sandy McIntyre, staker of part of the Porcupine producer which bears his name. This group of claims is about four miles west of the Howey and the Dome Mines is now carrying on surface work, having a gang of men doing prospecting and exploration work on a working option. The first payment was made some time ago, and the second payment is due in September. The Dome is obligated to do the assessment work, it is understood, and the work in progress at present is to count on this as well as to further test out the property. McIntyre is understood to have uncovered a quartz ledge in the greenstone. This ledge was about eight feet wide and bore very promising indications. The Dome engineers examined the claims after this find had been made, and the working option was the result.

MINING STOCK QUOTATIONS

Week Ending August 24

	High for wk.	Low for wk.	Close Aug. 24	Close Aug. 17	Sales for wk.
Amulet	1.45	1.35	1.41	1.35	100756
Apex	3½	3¼	3½	3	1500
Algonquin	3½	2½	3	2	30300
Argo. Cons.	28½	22	28½	22	605125
Area	32	28	29½	29½	52900
Atlas	2¾	2½	2⅝	3½	6000
Baldwin	3½	3	3¼	3	85800
Barry Holl.	70	58	69	58	270200
Beaver	80½	77	79½	80	42500
Bidgood	7	6½	7	5½	6000
Boston Creek	4½	3	4½	3	13000
Buckingham	3½	3	3	3½	1500
Bourlamaque	1.11	1.05	1.11	1.05	30800
Chaput Hughes	9	8	8	9	8000
Can. Lorrain	90	86	86	89½	25100
Capital	38	33	37	34	41600
Castle Tre.	1.45	1.41	1.43	1.43	45745
Clifton	2¾	2	2¾	1¾	3000
Coniagas	4.50	4.35	4.48	4.50	4010
Coniar'm.	3.50	3.25	3.50	3.25	500
Col. Kirkland	3	2⅝	3	2½	12000
Cons. Smelters	240½	230	239	232	19077
Cons. W. Dome	23	15⅞	22	15¾	443150
Crown Reserve	11	9½	9½	10½	9000
Dupuy	31¼	29¼	30½	30¼	8100
Dome Mines	11.25	10.10	11.25	10.30	11189
Everett	6¾	6	6½	6¼	11500
Goldale	35	32	34	32	46000
Gold Reef	2½	1⅝	1⅝	2	6000
Gold Hill	66	63	64	66½	96670
Hill Top	30	30	30	32	8700
Hillcrest, pref.	80	80	80	80	25
Hollinger	19.60	19.35	19.50	19.45	2488
Indian	6	5¼	5½	5¼	3000
Int. Nick. com.	37⅞	36¾	37	37	770
Keeley	1.77	1.68	1.75	1.73	20985
Keora	20	16	20	18½	28375
Keora Porc.	9	7½	9	8½	17500
Kirk Hunt	13½	12	13½	12½	20000
Kirk Lake	1.08	1.00	1.07	1.08	59000
Lakeside	2¼	2¼	2¼	2½	4100
Lake Shore	14.50	14.00	14.49	14.35	11680
La Rose	8¾	5	5	9½	15680
Laval Que.	26	24	25	24½	53150
Lorrain	4½	3¾	4	4	15000
Lorrain T. L.	50	50	50	50	400
McKinley	14	13	14	14	7500
McIntyre	26.50	26.10	26.50	26.90	205830
Millcrest	7	6	6	6	4500
Mining Corp.	3.98	3.88	3.90	3.99	13740
Moneta	14½	14	14½	14	6100
Newray	35	33¼	35	32	6500
Nipissing	5.70	5.50	5.70	5.70	6855
Night Hawk	8	6	6½	7½	3000
Noranda	19.45	18.45	19.45	18.50	61215
Mtl. Rouyn	22	17	22	17	91900
Peterson Lake	5¾	5⅝	5⅝	5¾	51000
Porc. Crown	6½	5½	5½	7½	2000
Preston	6¼	6	6	6½	5000
Premier Gold	2.49	2.13	2.35	2.14	16025
Pete Lk. Cobalt	17½	17	17½	.	81250
South Keora	10	8½	9¼	13	14500
Rouyn	3	2	2	31¼	9000
Don. Rouyn	40	34	39½	34¾	31700
Stadacona ½	43	42	43	43	49250
Sylvanite	1.70	1.70	1.70	.	500
Teck Hughes	4.80	4.18	4.70	4.22	145475
Towag'mac	3.55	3.35	3.40	3.60	6135
Tough Oakes	55	42	53½	42½	140200
Vickers	75	72	73	72	17900
Victory Silver	5	3¾	4	4¾	37500
Vipond Cons.	1.97	1.79	1.96	1.80	111572
Wigwam	8	5	5	7	2400
Wright-Har.	8.75	8.60	8.70	9.75	22255

CASTLE SEEMS SET FOR BIGGER THINGS

Castle Tretheway's gross earnings for the year ending June 30, 1926, amounted to $687,829 or $45,000 higher than the year previous. There were some who expected a better showing, but they forgot that Castle's expansions program was delayed awaiting cheap power and for the few months that the company has had this, effort has been concentrated on deeper exploration. This is clearly shown in the report on the year's development which totalled 7,465-ft. of which 5,820 lin. ft. were in drifts, raises and winzes and 24.6 per cent. in ore. The year previous the footage was 4,416-ft. and of this 3,366-ft. was drifting and 31.8 per cent. in ore. This shows the 1926 effort was 3,000-ft. greater than 1925.

Ore reserves have not commenced to show the real benefit of this work, although the tonnage is close to 15,000 greater than a year ago. The actual ounces, however, are lower, due to a drop of 4 ozs. per ton.

Production was maintained at the same steady level as the previous year. Concentrate shipments were slightly higher and the average content per ton about 100 ozs. better. This was partly offset however, by the easing in the price of silver. Production figures:

Production

	1926	1925
Concentrates, tons	323.25	317.70
Ounces, per ton	3,091.21	2,979.63
Ounces received	999,234	927,088
Price per oz., c.	67.89	68.03
Revenue	$657,843	$633,159
Cobalt, lbs.	30,879	29,149
Revenue	$ 5,315	$ 4,553
Oper. Rev.	$663,158	$637,712

CASTLE TRETHEWEY MINES LTD.

	1926 $	1925 $	1924 $	1923 $	1922 $
Bullion recovery	683,601	637,712	229,657	41,147	28,000
Carried to balance sheet	....	....	....	....	94,818
Miscellaneous income	4,228	4,568	18,165	6,253	....
Gross revenue	687,829	642,280	237,821	47,400	122,818
Operating costs—					
Mining developments	218,107	121,715	68,252	87,794	18,315
Tramming and hoisting	30,736	60,969	10,670	10,198	3,472
Milling	66,983	62,798	13,333	......	......
Crushing and conveying	......	......	2,162	......	......
Smelting, refining and shipping	36,675	35,521	7,678	599	1,180
Other camp expenses	5,621	14,947	2,203	7,632	1,641
Sorting	......	......	1,172	1,859	766
Shipping	......	......	2,287	434	219
	358,123	295,950	107,759	98,516	25,593
Administration, management and gen.	15,111	17,622	9,414	14,396	4,958
Corporate, head office	18,812	16,398	3,942	2,001	4,001
Insurance	4,012	4,122	1,688	1,106	1,039
Taxes, rentals	896	1,357	647	161	101
Total costs	396,954	335,449	123,449	116,180	35,692
Tax reserve	16,552	14,963	......	163,599	87,125
Net profit	274,323	291,868	114,372	......	......
	687,829	642,281	237,821	163,599	122,818
ASSETS					
Current—					
Cash	134,610	11,184	411	20,691	83,317
Silver concent.	117,379	101,623	135,275	5,565	28,000
Accounts receivable	2,447	1,267	10,516	2,233	157
Supplies	34,985	36,199	20,554	10,780	7,859
	289,421	150,273	166,756	39,269	119,332
Fixed—					
Mining prop.	1,839,095	1,839,095	359,100	359,100	359,100
Plant and equipment	279,111	242,789	56,907	44,640	40,900
Added during year (net)	50,104	40,342	189,717	14,967	3,740
	329,215	283,131	246,624	59,607	44,640
Depr. reserve	82,717	39,305	......	......	......
	246,497	243,826			
Equipment sold and scrapped	......	4,020	3,334	2,700	......
	......	239,806	242,789	56,907	......
Net advance N. Can. Power	73,165	......	......	......	......
Dev. undistributed	......	......	53,438	163,599	94,818
Insurance prepaid	......	......	187	677	506
Discount stock sub.	......	......	....	1,439,995	1,439,994
Oper. prepayments	3,001	2,312	628	......	......
Discount shares sold	......	......	1,479,995	......	......
Total assets	2,451,179	2,231,486	2,302,893	2,059,547	2,058,391
LIABILITIES					
Current—					
Payrolls	6,956	5,748	4,341	1,938	1,548
Accounts	13,248	25,531	17,792	4,517	2,670
Provision for sundry accounts	8,728	7,300	670	92	1,173
Owed bank	......	......	27,090	......	......
Tax provisions	20,726	13,171	......	......	......
	49,658	51,750	49,893	6,547	5,391
Capital liabilities—					
Capital stock issued	2,000,000	......	......	2,000,000	2,000,000
Contingent liability	......	......	......	53,000	53,000
Redeemable preferred	......	200,000	200,000	......	......
Less—Preferred stock redeemed	......	198,000	......	......	......
Deferred liability	......	......	53,000	......	......
Common	......	2,000,000	2,000,000	......	......
Surplus	401,521	178,536	......	......	......
Total	2,451,179	2,231,486	2,302,893	2,059,547	2,058,391

No. 2 CASTLE SH SHRD SHRSHRD

Ore Reserves

	1926 Tons	1926 Ozs. per ton	1926 Total ozs.	1925 Tons	1925 Ozs. per ton	1925 Total ozs.
No. 3 Shaft	63,757	34.4	2,195,406	47,359	39.8	1,885,796
No. 2 Shaft	1,476	20	29,520	1,476	25	36,900
Stopes	13,399	26	349,001	13,787	31.4	432,940
Dump	7,983	16	127,728	9,237	20	184,740
	86,615	31.2	$2,701,655	71,859	35.4	$2,540,376

Net profits in 1926 were $274,323 or 13¾ cents per share compared with $291,868 or over 14 cents per share in 1925. Increased exploration costs explain the drop in net. Surplus stands at 20 cents per share and the company is shown to be in a good position. President J. P. Bickell calls attention to the fact that only a portion of the property is yet under development and that intensive exploration on other areas is fully warranted. He says their plans contemplate an energetic policy in this respect.

R. J. Ennis, consulting engineer, says that the cheaper power besides cutting costs, has allowed for a 250 per cent increase in development work. He says that the extent of the known ore bearing ground has been materially increased. He says they anticipate an increase in production and that it is reasonable to expect enlargement of ore reserves.

Flin Flon Equipment Will Be Bought From Winnipeg

Flin Flon operators are opening an office at Winnipeg for purchasing purposes. J. W. Bringhurst, purchasing agent, will have charge. The pilot mill which will be sent into the property will handle 50 tons daily. All supplies possible are to be purchased in Canada. W. A. Green, San Francisco engineer, will have charge of mill construction.

LA ROSE REFINANCING

La Rose shareholders are reported as taking up considerable of the new stock at 15c. La Rose Rouyn is the name of the new company and old shareholders get one new for two old.

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Another imposing structure is being added to the already fine group of permanent Canadian National Exhibition buildings. This building, which will house the Ontario provincial exhibits, will be of striking proportions and architecture, a feature of which will be a dome, 112 feet high, surmounting the main entrance. The Ontario Government Building, as it will be called, is of reinforced concrete construction, with cement stone trimmings. It is therefore permanent and fire-safe.
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Vice-President—HORACE T. HUNTER.
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The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

TORONTO, AUGUST 27, 1926

WHAT DO THEY OFFER?

BECAUSE of its suggestion that the shareholders of the Hamilton Provident and Loan Company would be well advised to follow the recommendation of their directors and accept the offer of the Huron and Erie Mortgage Corporation, unless the small group in opposition were able to submit something equally definite and favorable, The Financial Post has been made the target for an attack through the advertising columns of the Hamilton newspapers. This campaign is evidently designed to arouse the local pride of the Hamilton shareholders against any advice which might be regarded as emanating from Toronto or elsewhere.

The Financial Post represents no other interest than that of the shareholders. It has presented the offer made by the Huron & Erie and endorsed by the Provident directors. It has had no communication whatever from the opposing shareholders, despite all the statements made in their paid advertising campaign. It has had no explanation of the rather indefinite and unsatisfying statement that "a financial institution has offered $230 per share for a period of some months to enable Hamilton citizens to form a syndicate and retain a Hamilton institution." Just what the offer means we are still at a loss to understand.

If the opponents of the proposal laid before the Hamilton Provident shareholders are in a position to make as good or better offer than that which has been arranged by their own directors, The Post believes that they should do so, and that the shareholders should then decide the issue on its merits. That is the whole case. But so long as the opposition continue their present tactics of secrecy and innuendo they must expect to be regarded as more interested in upsetting the present deal than in getting the shareholders a good price for their property.

STOP THE BIG FIRES

IT IS when large industrial and mercantile institutions take steps to reduce the risk of fire on their premises, that the most important advances are made in reducing the lamentable annual loss from fire in Canada. Without minimizing the importance of care and prevention around the home and in smaller buildings, it may be pointed out that in 1925 it took 19,000 residential fires to produce a total loss of $7,600,000 and only 1,500 fires in manufacturing properties to cause a total loss of $9,750,000.

Fire prevention is a work that has engaged the interest and effort of many different individuals and associations. Canada has well organized and efficiently directed fire marshal's offices in each of its provinces and a central fire commissioner's office at Ottawa; these all are co-operating with manufacturers, public bodies, and local authorities to turn public disinterest into concern over the situation created by an annual fire loss of $40,000,000 yearly and a total fire bill of over $100,000,000, the latter including cost of maintaining fire protection and fire insurance structures in the country.

The longest strides are taken in the direction of reducing this annual bill, the fire tax, when big property owners are given practical encouragement and instruction on fire prevention.

ON BEING A "SUCKER"

ONE of the many colorful passing figures in the history of the restaurant of Rector, as told in the Saturday Evening Post by one of the second generation of the famous family of restaurateurs, was Diamond Jim Brady. Diamond Jim was principally noted for the manner in which he decorated his person with precious white stones; he used them for buttons on his waistcoat, to embellish his watch chain and even had one mounted on the tip of his lead-pencil. He spared no expense in satisfying an abnormal appetite and enjoyed himself in the lavish entertainment of others. He was known in New York as an easy mark for the smooth gentry of his period. On one occasion Rector remonstrated with the spendthrift, telling him that he was merely playing the part of the "sucker." To this Diamond Jim on reflection replied:

"Being a sucker is the greatest fun in the world—if you can afford it."

In this unique philosophy of Diamond Jim Brady there is room for interesting reflection. He undoubtedly meant it exactly as he expressed it—that he was having a lot of fun in taking long chances and going in on fool propositions, because he could afford it. No doubt many other wealthy people have similarly enjoyed themselves at a cost which did them no serious harm financially. There may be a lot of satisfaction in the sensation a man gets from taking a flyer in mining or oil wild-cat even though he gets nothing more material out of it. The fact that the estates of many wealthy and otherwise sound and conservative business men frequently contain a variety of "cats and dogs" takes on a somewhat different aspect in the light of this philosophy. And we are reminded that other captains of business and finance have taken their enjoyment out of detective stories which have been classed as "dime novels."

But in this same philosophy there is a distinct warning to the average man—to the investor of small means—to be moderate in his speculations or he may easily pay more than he can afford for his experience. The main thing in a speculation is to consider the standing of the men behind the project as assurance that the money invested will be employed in actual development and that the shareholders will be permitted to share in whatever discoveries are made.

The average man cannot afford the fun of being a "sucker"—often.

OUR WASTE OF WOOD

PROTECTION of the forests has been too much left to individuals and corporations. Lumbermen, pulp and paper mills and others interested in gleaning wealth from the forest have been mainly responsible for such measures as have been taken to conserve the forests for the future Only in recent years have the Dominion and provincial governments taken a hand in forest protection on a large scale. Some of them are now doing excellent work, though it is doubtful if any province is spending what it should spend on its forests, when the extent of revenues from the forest is taken into consideration. The provinces of Canada draw $12,000,000 a year in revenue from the forests.

Provincial forestry protection is necessary because it conserves what is the people's asset. The people of Canada own outright to-day about fifty per cent. of all the standing timber in the Dominion, and they control through leases and licenses a further forty per cent.

Forestry protection is necessary because presently Canada is consuming or allowing to be destroyed more than it grows annually in the way of wood. Canada once had a forest area of 1,300,000 square miles. This area had 925 billion cubic feet of timber. To-day the Dominion has 250 billion cubic feet of timber. And yet of the 73 per cent. of the original stand that has disappeared the country has only cut and used 120,000,000 cubic feet. That means that 60 per cent. of all the timber has been wasted, some of it in clearing the land, but most of it in forest fires and raids by insects and other forest pests.

In the next 100 years it will be Canada's job to do better than reverse the percentages.

STICKING TO THEIR LAST

IT IS one of the strange anomalies of business that associations of one kind and another think that they can make a success of some one else's business. A group of, say, manufacturers of mousetraps, want to raise money to pay the salary of their secretary and so they start to publish a paper called the "Mouse Trap World," to be the official organ of their association, and to sell advertising to all the firms who sell raw materials for mouse traps. They do not stop to consider that the publishing of a paper is a specialized business and that a good mouse trap maker might make an awful fist of publishing.

Or it may be an office building that they will put up, counting on getting enough rent from the other offices to pay for the space they use. There is no reason why it should not be a cafeteria, or a boiler factory or a steam laundry, but usually it is a paper or an office building.

It is no wonder that most association organs fall flat and most association office buildings lose money. They are being run by men who are out of their element.

Many Canadians have been in Cleveland and have seen the fairly handsome Chamber of Commerce Building there. Members of the chamber are now being asked to put up $50 apiece to pay for last year's deficit on this building, which was to be a profit-maker for the chamber, through the rental of offices to business concerns.

Boards of trade, associations, societies, etc., have their place, but their place is not in someone else's line of business.

"TRUST BUSTING" PASSE

"TRUST busting" has had a rest in the United States in recent years. Various decisions of the Supreme Court and of the Federal Trade Commission have paved the way for mergers, interlocking directorates, stock dividends and corporate expansion generally in a way that must make Roosevelt, master of the grandstand touch, turn over in his grave.

A recent report by the commission points out that six companies control one-third of the total developed waterpower; eight companies control three-quarters of the anthracite coal deposits; thirty companies control a third of the bituminous coal; two companies control half the iron-ore reserves; four companies control more than half of the copper; and 12 per cent. of all the petroleum reserves are controlled by thirty companies—most of which, it might have been added, are loosely affiliated with one central core of interests.

This is great raw material for socialistic pamphlets. But alongside of this movement towards concentration of resources has been developing another movement towards diffusion of ownership. These same big "trusts" have each thousands of stock holders. A politician can not win votes attacking the corporations when nearly every one of his constituents owns stock in one or more of the companies he sets out to attack.

In Canada, there are about a dozen men who, between them sit on directorates of companies that control, to a vast degree, the transportation, oil, utility, banking and industrial life of the country. Their power is great but probably not as great as the man on the street thinks. But while these companies continue to get wide distribution of their securities, the ultimate result is achieved of spreading the ownership of the country's resources and productive facilities.

When the public owns the "trust" through wide stock distribution, the public does not kick very strenuously about its existence.

EDITORIAL NOTES

WHAT does Mussolini want with the Norge? Now that Italy is no longer a democracy they have no use for gas bags.

* * *

IF DR. ELIOT had died twenty-four hours later his obituaries wouldn't have had a chance beside Valentino's.

* * *

LAST week the Toronto Telegram chaffed its evening contemporary, the Star, because, it said, the Star's editors did not read their own financial page. It quoted conflicting articles in the Star as proof. But in the very same issue of the Telegram where appeared this comment, there was run as a front page "scoop" a story about the Ontario department store merger, which appeared first in The Financial Post of June 4, and which was copied on the financial page of the Telegram that day.

* * *

THE Manitoba Free Press hastens to correct a typographical error in its columns. The Free Press must have considered the error important to give so much prominence to its correction. We will let our readers judge. Here's the correction:

"In Saturday's political page, a forecast of election results was quoted from The Financial Post, which was said to be a journal unfriend'y to Mr. Meighen. It was intended to say 'not unfriendly.' The Post is very close to big business and high finance in the East, and its inability to figure out a majority for the Conservatives in the next House is somewhat significant."

* * *

REFERENCE has been made during the present political campaign to the control of Canada by Wall Street as though the latter were some great corporation with a single policy and a single opinion. To the contrary, as the American Banker observes, there are more varied opinions and shades of opinion prevalent in Wall Street than on Main Street.

Fifteen Years Ago

Extracts from Files of The Financial Post.

Bank of Nova Scotia raises dividend rate to 14 per cent., highest in Canada.

Beaver mine ships eight cars of ore in August.

Talks of electric smelter at Kenora to refine iron ore.

Financial world of New York, sees ruin ahead of C. P. R.

Government bank return shows 31 banks with $1,316,101,042 of total assets.

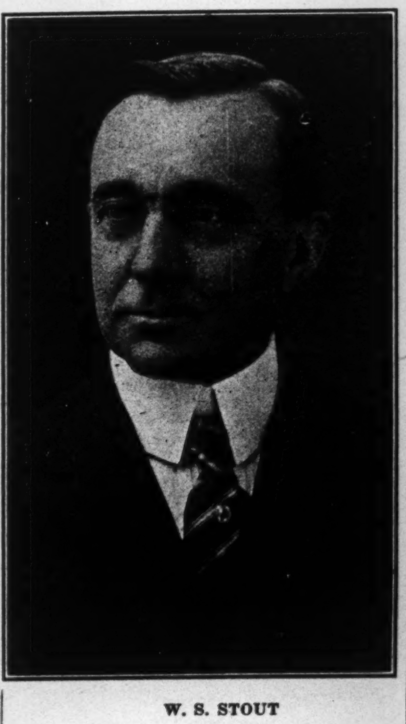
Billions Are Handled and Not an Employee is Bonded

From a One-Horse Concern to a World Organization the Dominion Express Has Been in Control of one Man—W. S. Stout, First Superintendent, Still Chief Executive

HAS BUILT ON HONESTY AND CO-OPERATION

By J. W. TYSON

THE career of one man in particular is so closely interwoven with the history of the Dominion Express Company—whose name has just been changed to the Canadian Pacific Express Company—that it would be difficult indeed to unravel the two. That man is W. S. Stout, the company's president.



W. S. STOUT

Picture one horse attached to a second-hand wagon drawn up before a small wooden structure in a straggling frontier town with half a dozen employees gathered about—that was the Dominion Express Company away back in 1882, when the venture was launched in Winnipeg. It was Mr. Stout who had charge of the half dozen employees with the one-horse wagon for delivery service in the prairie frontier town and who moved the headquarters two years later to Toronto with W. H. Burr, auditor, Wm. Walsh, chief clerk, and three clerks and four drivers.

Picture a train of fifteen express cars and passenger coaches, transporting $100,000,000 in gold across Canada from Vancouver to Ottawa, an organization handling merchandise shipments to all parts of the world, and supplying currency to travelers in practically every country under the sun—that is the Dominion Express Company of 1926; and Mr. Stout is still the company's chief executive officer. He has about him the great majority of those who have worked with him in the upbuilding of the organization. He is proud of the fact that there are several employees who have been with the company forty years, a number more than thirty and a great many for twenty years. Only one of the company's executive officers has ever resigned; the others with the exception of those claimed by death are still serving.

And now, forty-four years after the launching of this world-known enterprise, which has been built up in keeping with the Canadian Pacific Railway, with which it has been so closely associated, the name is being changed to the Canadian Pacific Express Company to more closely identify the two organizations in the public mind.

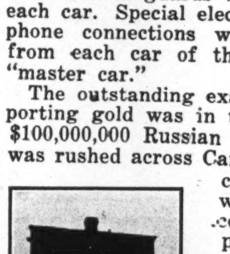
Not an Employee Bonded

Many and interesting are the incidents in connection with the company's history and development which Mr. Stout can relate. To the integrity, and loyalty of its employees, Mr. Stout gives credit for the company's success. Just what this statement implies may best be indicated by the fact that the thousands of employees who have handled billions of money not one has ever been bonded and the losses which have occurred have been comparatively insignificant. When the company organized its money order department it was considered that bonding might be necessary. Preliminary arrangements were made for a system by which the company would take care of its own bonding and would return to the employees any surplus after losses were made good. However, it was never found necessary to take this step. The company has a record in regard to integrity in its express and money order services not equalled by any other express company in North America.

A Mystery Train of Gold

During the war the company was called upon to transfer billions of gold securities across the Atlantic and the Pacific to finance purchases, to stabilize exchange and to keep the war machine functioning. These tasks were carried out without delay, without loss and with the great secrecy which the circumstances made necessary. Special arrangements had to be made for ocean carriage and special trains on land with specially trained guards so that at all times two or more guards were on duty in each car. Special electrical and telephone connections were established from each car of the train to the "master car."

The outstanding example of transporting gold was in the case of the $100,000,000 Russian shipment which was rushed across Canada from Vancouver to Ottawa in a train comprising 15 express cars and coaches This train was made up to resemble the specials which are used from the Pacific coast to New York for the transportation of silk. The whole



was arranged with great secrecy and it was not until after the war that the truth about this mystery train was told. In addition to the cars containing the gold which were constantly under guard were the sleeping cars for the guards off duty and a dining car where meals were served. Every possible precaution was taken to keep the contents of the train secret and no lights were shown or other indications given that the gold cars held other than the silk frequently shipped in this manner.

This big gold shipment was taken over from the two Japanese warships off the Pacific Coast with a Canadian battleship providing an additional guard. The gold was brought to Vancouver and there the special train was made up for its thrilling run across the continent.

Mr. Stout is very proud of this record of his organization, and justly so. He says that the company has been remarkably free also from losses as the result of burglaries or hold-ups. In this connection he tells of one mysterious case which still puzzles the company's officers and also the manufacturers of the safes used by the company.

Some years ago in a small Quebec

(Continued on page 11)

When Mr. Stout Was Held Prisoner

It was a pretty raw country—our Western Canada—in the days when Mr. Stout was organizing the Dominion Express services across the prairies and through the mountains. The people believed in direction in handling their affairs and sometimes their methods were more forceful than effective.

On one occasion Mr. Stout visited a mountain town which had been agitating for lower rates. When it came train-time he found that he was quietly, but nevertheless effectively, detained. The train departed. To Mr. Stout it was intimated that other trains would do likewise if he did not consent to grant the rate concession demanded.

Tact was required in such a situation. Mr. Stout asked permission to consult a lawyer and through the man of law he made it plain that even should he grant the demand it would be under duress and could later be upset as illegal. This had the desired effect and the detained guest was allowed to take the next train out.

A Service That Has Extended to The Farthest Corners of the World

The need for express service in Western Canada developed practically as soon as the Canadian Pacific Railway commenced operations. That service was for a time provided by a little group of Winnipeg business men who offered means of transporting package freight up and down the short but steadily extending mileage. The company was known as the Canadian Pacific Express Company. Then in 1882 Van Horne found time to give attention to this phase of the service to be provided by the Canadian Pacific Railway and an arrangement was made with the Dominion Express Co., which as indicated by the accompanying reproduction, has secured a very broad charter in 1873, but had not operated; the property, goodwill and charter of the local company were taken over. Operations were commenced on the C. P. R. lines from Rat Portage to Oak Lake and gradually extended as the lines of steel lengthened. By 1884 a link had been established between the prairies and Prince Arthur's Landing. Now Port Arthur, and a joint traffic route formed with Vicker's Express Co. for traffic to and from Toronto, using steamers between Owen Sound and the head of the lakes. This arrangement continued until the eastern and western lines were joined on the North shore.

In 1884 the head offices of the company were moved from Winnipeg to Toronto, being located at the headquarters of the Canadian Pacific Railway on King Street, on the site now occupied by the North American Life Building. At this time steps were taken to develop traffic ahead of the Canadian Pacific in certain territories. Wagon stage routes were established. Many shippers will recall the Ayr, Paris and Brantford route, opened as a stage route in 1892 and continued until 1903, when it was replaced by an electric line. The Galt, Preston, Hespeler, Berlin and Waterloo stage route served the public until the opening of the Grand River Railroad in 1905. Two other important stage routes were the Myrtle, Whitby and Oshawa, tapping the Canadian Pacific at Myrtle and the Ivanhoe and Belleville, tapping the C. P. R. at Ivanhoe. These two lines were operated by stage for nearly 25 years until the opening of the Canadian Pacific Lake Shore Line in 1915.

West of Winnipeg there was similar expansion, lake and river steamers taking the place of the stage. Vancouver Island was given express service in 1886 and Skagway in 1901.

In the Money Business

In 1895 the company inaugurated its money order business and to-day these orders are issued at more than 4,600 agencies in Canada, United States, Great Britain, Ireland and continental Europe. Foreign postal remittances have been introduced to serve the thousands of foreigners in the country who send money to friends at home and many of whom are not acquainted with the banking system. By this system the remitter gets a receipt after the payment has actually been made. Payments can be made at practically any place in the world, regardless of size. Deposits are also transmitted to foreign banks and receipts given to those making the remittances. Money is transferred by telegraph or cable between all principle cities in the world. Foreign money is bought and sold at the company's important offices.

And so, as the Canadian Pacific Railway has grown and extended its services throughout Canada and the world, the express company has likewise extended its facilities and is well entitled to assume the name of the great transportation system of which it is in reality a part.

The Past and the Present in Canadian Pacific Express Service

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Cosmos Imperial Mills, Limited

7% Sinking Fund Cumulative Preference Stock (Par Value $100 per Share)

BUSINESS—Cosmos Imperial Mills, Ltd., owns and operates two modern heavy cotton duck manufacturing plants, one in Hamilton, Ont. (established in 1900), and the other in Yarmouth, N.S. (established in 1883).

ASSETS—Total Net Assets $3,404,882.64
or, after making provision for first mortgage gold bonds 2,424,882.64
Which is $161 for each share of Preference Stock.

EARNINGS—After providing for bond interest, depreciation and Government taxes:
10½ year average, from January 1st, 1916..$246,257.00
(2.84 times preference dividend requirement).

YEAR ENDING DECEMBER 31st, 1925 .....$291,428.28
(2.77 times preference dividend requirement and at the rate of $3.72 per share on the common stock).

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Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Kelvinator of Canada

F. H., British Columbia.—Would like your opinion on Kelvinator of Canada preferred.

Kelvinator preferred around 90 has attractive features as a business investment. Not only do the possibilities of the future market for artificial refrigeration machinery appear very attractive, but the dividend on this stock is guaranteed by the Kelvinator Co. of the United States, which is one of the big companies in the field there. No doubt there will be keen competition in the manufacture of artificial refrigeration plants, as there has been in the automobile and other industrial fields. In this competition some of the companies will, undoubtedly, suffer, but the Kelvinator Co., being one of the first in the field, should have a good opportunity for continued success.

Cosmos Imperial

Revelstoke. — Kindly give me your opinion on Cosmos Imperial Mills seven per cent. investment stock with bonus of one-half share common?

The recent financing of Cosmos Imperial Mills was for the purpose of providing capital to buy out certain interests held in the company in the United States. The company has plants at Hamilton, Ontario, and Yarmouth, Nova Scotia. The company manufacturers heavy grades of cotton ducks, mechanical belting, hose, railroad car roofing, tents, awnings, and dryer belts for paper machines. Most of these lines going into commercial and industrial consumption, the company has not become widely known to the public.

Earnings of the company are said to be satisfactory. Business is expanding, particularly in regard to the manufacture of the dryers for the pulp and paper manufacturers. And, as this industry is expected to continue to expand, the outlook in that quarter is regarded as very promising.

The buying out of the American interests is regarded by those closely in touch with the company's affairs as a very good move. It is believed that investors in these shares not only have reasonable assurance of their dividends, but stand to reap some benefit through the common shares. Of course, these common shares are not going to investors without cost. Ninety would be a fair price to put on the preferred and a bonus of one half share of common would put a valuation of $20 per share on the common. A material immediate advance on this price is not to be looked for, but the common is regarded as attractive for a hold. Altogether, this would seem to be a reasonably attractive businessman's investment.

Federal Alcohol

I was recently offered some of the shares in the Federal Alcohol Distilleries of Montreal by a salesman at $15 a share. I got a very glowing report of the company's activities from this man who assured me that the company would be paying a dividend by about October 1. He stated that he had obtained this information from one of the executives. What do you think of this stock? I should appreciate your views.

Any salesman who offered you stock in the Federal Alcohol Distillery, of Montreal, at $15 a share was either a knave or a fool. You will agree with this description when you learn that the last quote for the shares in this company which we have been able to obtain here was $8 to $10.

The stock is largely closely held and has a par value of $10. The stock has never yet paid a dividend, and yet the salesman offered it to you at 50 per cent. over par!

We understand that the Federal Alcohol Distillery operates under a competent management. It obtained a clean bill of health in the recent customs inquiry and its shares, we understand, have a definite speculative attraction.

However, should you eventually decide to purchase stock in this company, you must remember first of all that it has a narrow market and that you might have to part with it for less than its intrinsic worth.

Again, there are speculative features in any of the distillery stocks such as the export trade in liquor, which may not continue on such a high scale, the future liquor policy of the provinces, which may vary, favorably or unfavorably towards the ditstilleries; and the future of industrial alcohol and motor fuels, which seem to offer good opportunities for future profit for these companies.

The stock in this company is not listed on any exchange, but at the present time we believe it is possible to find a market for it between $8 and $10. It is speculative.

Power Corporation

H. F., Winnipeg.—I hold some common shares of the Power Corporation of Canada. Would you kindly let me have your opinion regarding this stock?

The common shares of the Power Corporation of Canada were originally partly distributed as a bonus with the preferred shares of that company. In view of the record of the power companies in the past and the possibilities of the future, it seems reasonable to presume that you will obtain an appreciation in the market valuation of the common stock of the Power Corporation of Canada. However, you should be willing to hold the stock for some time. The shares are changing hands at present at around 23 to 25.

The entire assets of the Power Corporation consist of stock in a number of power companies located in Ontario, Quebec and British Columbia. Some of these companies are actually controlled, whilst in others the parent company owns substantial blocks of stock. In addition, for its subsidiaries, the parent company acts in an advisory capacity, giving them engineering service and the advantage of a centralized purchasing department.

The Power Corporation has not yet completed its first year of operation and, consequently, we can give no report of earnings, but we believe that, after payment of dividends on its first and second preferred shares, there will be some surplus remaining applicable to the common stock. Of course, such a surplus does not mean the payment of dividends immediately.

Attendu Engines

C.P.R., Winnipeg.—Kindly give your opinion as to the possibilities for Attendu Engines.

The shares of the Attendu Engines are speculative. Nevertheless, we believe that the company owns the manufacturing rights to a sound, economical gas engine, which eventually should find a place in the world markets. At the moment, the prospects for the future of the company look fairly bright, but you must remember that the placing of the engine on the United States market requires time and money. The stock may work out to be a decidedly more than worthwhile gamble.

Montreal Power

L. C. Quebec.—Do you think the new Montreal "Power" common is a good investment. I do not want a speculation.

At what price do the common shares of the Ottawa-Montreal Power Company change hands?

The new common stock of Montreal "Power" may be regarded a good investment. When the stock first appeared on the market, there was a wild scramble to obtain shares and prices at the moment are a little higher than were anticipated. However, in purchasing these shares, you should not be worried by any minor variations in the market quotations—others who held the old stock over a term of years did not sell on a five, ten or twenty point rise, and eventually they received their reward. Sir Herbert Holt is the president of Montreal "Power," and investors who have followed his lead in the past have certainly profited thereby. It seems to us that for the long pull there are hardly any new stocks which present the attraction that you will obtain in the new common stock of Montreal "Power."

The common shares of the Ottawa-Montreal Power Co. change hands at anywhere between $25 and $30.

Billions Are Handled and Not an Employee is Bonded

(Continued from page 10)

town a substantial sum of money disappeared from the company's safe. There was no clue as to the robber and nothing to indicate how access to the safe had been gained. The lock and doors were intact. About a year later there was a second loss under exactly the same circumstances. The agent was changed but again a year later came a third loss. The money just disappeared from the safe with nothing to explain its disappearance. However, among the bank notes taken in the third robbery were some, the numbers of which had been retained by the bank making shipment. Months later one of these bills turned up in Montreal and after much careful work it was traced to a man living on the outskirts of the city who seemed to be doing little to earn his living, but who had at times gone about the country doing painting.

This man was convicted and sentenced, but neither then nor since has he ever given any information as to how he got the money out of that safe. The mystery continues to this day. In other parts of the country similar safes have defied cracksmen successfully. There is one of these safes in an Ontario town which has been dynamited three times but has never been entered.

Mr. Stout tells how, after the man referred to had served part of his sentence, a petition was started to secure his release. The prisoner sought the support of Mr. Stout in his petition. Mr. Stout informed him that he would add his name to the list if in return the prisoner would tell how he secured the money out of the safe. But even under these circumstances he could not be induced to tell his secret.

Tripping up Bill Miner

One of the few hold-ups which the company has suffered was committed by Bill Miner during the active days of that bold robber. The hold-up was at Duck Lake in British Columbia. Miner was finally rounded up months later and the crime fastened on him largely because he was carrying a revolver which had belonged to the Dominion Express Company and had been taken at the time of the hold-up. Mr. Stout cites this as an indication of how the most clever criminals make their mistakes and provide the evidence for their eventual conviction.

Honesty the General Policy

Throughout its long career, and even in the earliest days, the company's losses through delinquencies on the part of employees have been remarkably small. When the new lines of steel were being extended in Western Canada, new stations appeared on the railway maps before they were physical entities. The train would stop at a siding and the express car would make a deposit from its contents. There would perhaps be no agent, probably no building of any kind, and frequently not a human being in sight on the miles of surrounding prairie. But sometimes after the passing of the train, homesteaders would come to the siding and they would pick out the packages addressed to themselves or to their neighbors and take them away. It was a country peopled—where it was peopled—for the most part by honest men and thefts were few and far between. Likewise in the company's services there was a respect shown for the rights of property rather astonishing in a new country where many of the newcomers, including employees, left their pasts behind them. Of course, the presence, or imminence of the members of that famous police force, the Northwest Mounted Police, may have been a factor in the situation, but there is no occasion to lay particular emphases on this now.

That spirit of integrity and loyalty which was inspired in the company's employees in the old days dominates the great organization of to-day and President W. S. Stout has been a very important factor in keeping the flame so brightly burning.

THE DOMINION'S WIDE-OPEN CHARTER

STATUTES OF CANADA, 36 VICTORIA, CHAPTER 113

An Act to Incorporate the "Dominion Express Company"

(Assented to 23rd May, 1873)

Whereas the several parties hereinafter named have, by their petition, represented that they have associated themselves together, with divers others, for the purpose of the transport and carriage and conveyance of money, packages of goods, chattles, wares and merchandise, and of every description of property that may be intrusted to their care, for transport, carriage and delivery to and from any part or portion of the country being within the Dominion of Canada; and the more effectually to carry out this enterprise, they have prayed that an Act be passed incorporating them with powers hereinafter mentioned: Therefoze Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

The Honorable William Pearce Howland, Companion of the Bath, of the City of Toronto, in the Province of Ontario, the Honorable David Lewis Macpherson, of the same place, Senator; Casimir Stanislaus Gzowski, of the same place, Esquire; John Crawford, of the same place, Esq., M.P.; George Airey Kirkpatrick, of the City of Kingston, in the said Province, Esquire, M.P.; Alexander Gunn, of the same place, Esquire; John Curtis Clark, of the same place, Esquire; Horatio Yates, of the same place, Esquire, M.D.; William Robert Mingaye, of the same place, Esquire, shall be and they are hereby constituted a body politic and corporate, in fact and in name, and by the title of the "Dominion Express Company"—with power to acquire and hold real and personal estate for the use of the said corporation, and to sell and alienate the same as they may deem convenient.

The capital stock of the said corporation shall be one million dollars, divided into ten thousand shares of the value of one hundred dollars each.

It shall and may be lawful for the said Company—

(1) To contract with Railway Companies, steamboat companies or owners, stage or wagon proprietors and others, for the carriage and transport of any goods, chattels, merchandise, money, packages or parcels that may be entrusted to them for conveyance from one place to another within the Dominion of Canada;

(2) To contract with British and foreign express companies, and other parties, for co-operating with and transacting such business as aforesaid in connection with the said Company;

(3) To acquire, construct, charter and maintain boats, vessels, vehicles and other conveyances for the carriage and transport of any goods or chattels whatsoever by the Company.

(4) To make by-laws for managing the business and affairs of the Company, and for regulating the appointment and duties of the officers and servants thereof.

POST-Scripts

A TORONTO financial man of considerable wealth and numerous responsibilities recently visited the small town of his boyhood. He found that all but one of his youthful chums had answered the call to the city. Towards the one who had remained and who had made sucess only according to small town standards he, unintentionally perhaps, assumed something of a patronizing attitude as a man of the world. He found, however, that not only was the small town man unimpressed but frankly amused.

"You city businessmen have my sympathy," he said. "You are tied up with so many interests that you have practically no time to enjoy the money you make and what you do spend you get comparatively little out of."

This was a new angle to the situation to the city man. His small town friend explained further. He admitted that he had been forced to stay in the little place when the others had gone to the cities. Then he had chafed under the restraint. But with the years he learned to appreciate life in the small town. He could go catch a fish when he felt so inclined. He could play golf without consulting a board of directors. And he had enough money to buy all the necessary comforts and not so much that he could still enjoy the simple satisfactions of life.

"I envy nobody," he said, in the words of the miller, but did not add "and nobody envies me"—nor could the city man complete the quotation for him.

CAPTAIN WEDGWOOD BENN, Liberal M.P. for Leith, was a brilliant flying man in the war. In the British House he is always swooping down on the Conservatives. The other day he descended upon the much-enduring Home Secretary, Joynson-Hicks, who, he said, "went about like a hired barrister." Sir Herbert Nield, K.C., objected to this "undeserved sneer against one of the most honorable of professions"; whereupon "laughter and cheers" fought each other. The Captain disculpated himself of any wish to asperse the gentlemen of the long robe, but insisted that the barrister's object is "to win his case."

The word "hired" kept sawing at Sir Herbert's nerves, but he amused the House by this little excursus into symbolism, reported by the New York Times:

"The basis of the professional employment was token. At the back of the gown which barristers wore was a small bag, the origin of which was that the client might slip in the fee without the susceptibilities of the barrister being shocked."

Canadian legal gentlemen, it may be said, also wear the little pouch at the back of their gowns, but they send their bills out just the same.

BASED on a press report stating that J. C. Mitchell, of Dahinda. Saskatchewan, intended to try to win back the wheat crown at the International Show at Chicago, the New York Sun recently published the following editorial under the heading: "Who's Who in Wheat":

Montana supplied to the world its champion wheat grower last year when L. P. Yates of Fishtail in that state captured the title at the International Grain, Hay and Stock Show in the autumn in Chicago, but Canada does not intend to let the honor stay south of the international boundary if its farmers can drag it north. The Dominion now announces that J. C. Mitchell, of Dahinda, Saskatchewan, who has already been cock of the walk three times, will be a contestant this fall. Mr. Mitchell was not in the contest in 1925, but he will be on the shore of Lake Michigan this year.

This international competition was instituted fifteen years ago, and Canada has taken the blue ribbon thirteen times. Seager Wheeler, of Rosthern, Saskatchewan, succeeded in finding top place five times. Nobody else touches Mr. Wheeler's record in this achievement.

Canada's hope this year has a typical pioneer's history. He came to America in 1906 from Manchester, England. He did not have any capital. He took up a quarter section of land forty miles from the railway and went to work. Now he farms 800 acres and is asking the Canadian Department of Agriculture to register a new potato he has developed which appears to be all that a spud can aspire to be. To-day a railroad crosses the Mitchell farm and the homestead is a show place.

Mr. Mitchell has spent very little time telling other persons that there is no chance for a man to-day. He went out and made his chance. And he did not make it by loafing during the wheat seasons either.

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Current Comments

The Lighted Match

Vancouver Province: At Powell River, the other day, a man was fined $25 for throwing a lighted match from his car. The fine was not large, but by calling attention to the offense it may prove salutary. The forest officials are to be commended upon their zeal and upon the wisdom they showed in starting their campaign against the careless in a town like Powell River where the livelihood of every man, woman and child depends directly upon the preservation and perpetuation of the forests.

Immigration Aid to C.N.R.

Manitoba Free Press: The greatest single factor in helping the National railway should be the immigration of land settlers. The government has never put enough energy into that policy, partly because of opposition in the country and partly because of adverse conditions in agriculture for three or four years. But that is now past, and every practicable means should be used to stimulate land settlement, both for the good of the National railway and for the general benefit of the country.

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Dominion of Canada 5½'s............	1934	103.10	5.01
*†Govt. of Argentine (External) 6's	1958	99.25	6.05
*†Imperial Japanese Govt. (External) 4's	1931	89.75	6.05
City of Quebec 5's....................	1953	101.50	4.90
Montreal Protestant School 5's........	1951	100.50	4.97
Canadian Pacific Rly. Co. 4½'s........	1944	94.00	5.00
†Duke Price Power Co. Ltd. 6's.........	1966	103.25	5.80
Ottawa Traction Company Ltd..........	1955	100.50	5.45
*†Saxon Public Works 7's...............	1945	99.00	7.09
Maple Leaf Milling Co. Ltd. 6½s......	1943	104.00	6.12
Paton Manufacturing Co. Ltd 6's.....	1953	102.00	5.85

* Listed on New York Stock Exchange.
† Principal and Interest payable in New York Funds.

The above Bonds are offered subject to prior sale and change in price. Complete information regarding any issue and a copy of the current edition of our publication "Investment Securities" will be forwarded upon request.

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Convertible Preferred's Have Their Attractions

The conversion feature of the recent McColl Brothers issue has come in for comment. It is pointed out that shareholders of this stock have the right to convert into three shares of common stock at any time in the next five years. Thus they have a return of 7 per cent. on their money and at the same time will be able to participate in the profits from the successful expansion of the company in the future.

At the present time only a few preferred stocks of Canadian companies carry conversion privileges, but the privilege has proved to be a very profitable one to the investor who purchased them. One example of the value of this feature is the preferred stock of the F. N. Burt Co., which when sold carried the right to be converted into one share of common stock. In 1912 nearly $2,000,000 of this preferred stock was outstanding, but since that time shareholders of the preferred stock have been converting into common until to-day, according to the latest published figures, only about $300,000 of the preferred issue is outstanding. Thus, a preferred shareholder of the F. N. Burt Co., who invested $100 in one share of preferred stock was able to convert that share into one share of common, which was recently split into four shares of common. As the common stock is now quoted around $57 a share the original investment of $100 is now worth about $228.

The value of convertible preferred stocks is further demonstrated by the price at which Gilman-Fanfold preferred is selling. Sold last year to the public at $100 a share, it is now quoted on the Toronto Stock Exchange at about $128 a share. It is convertible at any time into one share of common stock of the company.

LONDON NOW BUYING PAPERS

MONTREAL.—Some good missionary work has recently been done in London regarding the possibilities of investment in Canadian securities, particular emphasis having been laid upon pulp and paper and hydro-electric stocks. In the instance of Brazilian Traction in the past few days, the buying power of London, when that market really takes hold, has been strikingly demonstrated. More recently it was reported that several London houses were inquiring in this market for Price Bros. and St. Maurice Valley Corporation stocks.

UNLISTED BONDS

Abitibi 6% 1940	102¾	..
Algoma Steel 6% 1962	..	29
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100⅜	100¾
Burns, P. & Co. 6½% 1943	103	104
Can. National Rly. 5% 1954 ...	100⅞	101½
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942.	104¼	..
Can. Pacific Rly. 5% 1934	99⅞	100⅝
Can. Pacific Rly. 4½% 1944	93	93¾
Can. Steel Foundries 6% 1936..	102	..
Dom. Textile 6% 1949	106¾	..
Frontenac Brewery 6% 1951 ...	98	..
H. Smith Paper, 7% 1941	100	100½
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	..	101½
Prov. of Ontario 5% 1948	100⅞	101⅝
Ontario Pulp 6% 1931	106¾	..
Price Bros. 6% 1943	102¾	103½
Quebec Power 6% 1953	103	104
Winnipeg Elec. 6% 1954	95½	96½
St. Maurice Power 6½% 1953..	108½	108⅞
Jam. Pub. Service 6½% 1943..	102½	103½
Span. River P. 8% 1941	106¾	..

STEAMERS' DIRECTORS CAN NOW CARRY OUT RE-FINANCING PLAN

(Continued from page 1)

with the increased tonnage, a comparison with other years is useless.

At the Davie Shipyards, at Lauzon, Quebec, construction has begun on a new, big passenger vessel for the company; work will be continued throughout the winter months. This ship will be similar to the "Richelieu," which was brought into service some two years ago. It will be 300 feet in length over all, with a deck beam of 69 feet. The new vessel will cost between $1,250,000 and $1,500,000, and will be capable of carrying a larger number of passengers than its sister ship, the "Richelieu." It will be launched next spring, as soon as the ice is out of the river, and will be placed on the regular passenger service to the Saguenay River with the opening of the 1927 season, early in June.

Development Helps "Steamers"

The great industrial developments taking place on the lower St. Lawrence, on the Saguenay, and in the Lake St. John district, should eventually mean something big for the Canada Steamship Lines. The present season has seen the beginnings of what appears to be a regular, as distinct from a tourist, passenger traffic between Montreal, Quebec, and these points. As these new settlements grow up, both the freight and passenger business will undoubtedly show a large expansion.

The balance sheet to be offered by the company in connection with the new financing of $18,000,000 will be of great interest to the shareholders, as it will undoubtedly show not only the effects of the acquisition of much new capital, but the elimination of many items of doubtful value, and the writing down of many assets.

W. H. Coverdale, the president, in referring to the purchase of the Great Lakes and George Hall fleets recently, said that their acquisition will greatly enhance the cargo-carrying capacity of the Canada Steamships fleet, will balance the Upper and Lower Lake divisions, and will conduce towards important operating advantages and economies, while the gross revenue of the company will be increased by at least $4,000,000, or over 40 per cent., and the net revenue by an even greater ratio. This estimate is based on the earnings of the companies over a period of five years. Net earnings for this year will be about $1,300,000 or $400,000 in excess of the amount required to pay the yearly dividend on the new preferred stock.

CANADA BISCUIT TAKES PERRIN PLANT

LONDON.—The plant of the D. S. Perrin Co. became a part of the Canada Biscuit Company. The price paid is declared to be well over $1,000,000. The Canada Biscuit Company, of which the well-known Perrin plant now becomes a branch factory, now includes some seven factories extending all the way from Moncton, N. B., to Edmonton, Alta.

BOND MOVEMENTS OF THE WEEK

Week Ending August 24

Bonds—	Int. Rate	Due	Yield	Range 1925 High	Range 1925 Low	Range, 1926 High	Range, 1926 Low	Latest Price Ask	Latest Price Bid	High	Low
Asbestos, G. M.	6	1956	7.49	..	...	84⅝	82¼	82¼	82	82¼	82
Can. Canners	6	1950	6.00	96½	90	100	94	...	...	100	97¾
Canada Cement	6	1929	5.27	103¼	100	102¼	101½	...	102	102	...
Dominion Coal	5	1940	6.60	90	84	89½	85	...	85½	85½	...
Dominion Iron	5	1929	...	94	86	92	70½	73	71¼	73	...
Montreal Tram	5	1941	5.14	98	94⅞	98½	97	98¼	...	98½	...
Montreal Tram. (A).	5	1955	5.48	98	92¾	95	92½	93	92	93	92⅞
Porto R. Rly.	5	1936	6.40	..	...	89¾	...	...	89	89¾	...
Quebec Railway	5	1939	5.63	98	89¾	95	91⅞	94½	94¼	94¼	...
Steel of Canada	6	1940	5.23	106	103	107½	106	...	...	107½	...
Wayagamack	6	1951	6.00	98¾	84¼	100	91¾	100	99¾	100	99
War Loan	5	1931	4.79	102.65	101.00	102.40	100.35	100.90	100.50	100.90	100.35
Do.	5	1937	4.62	104.95	103.80	104.65	103.30	103.45	103.05	103.25	102.90
Victory Loan	5½	1927	5.20	103.15	101.70	101.75	100.15	100.65	100.20	100.27	100.15
Do.	5½	1933	4.77	107.00	105.10	106.80	103.65	104.20	103.85	104.30	103.65
Do.	5½	1934	5.02	104.80	103.20	104.10	102.70	103.00	....	103.15	102.70
Do.	5½	1937	4.65	110.00	108.15	109.30	106.95	107.00	106.95	107.25	106.95
Do. Renewal	5½	1927	4.95	103.15	101.70	101.75	100.00	100.65	100.30	100.40	100.00
Do. Renewal	5½	1932	5.01	104.20	102.60	103.40	102.00	102.55	102.10	102.55	102.15
Do. Refund	5	1928	4.97	104.45	100.15	101.30	100.00	100.25	100.10	100.10	100.00
Do. Refund	4½	1940	4.88	97.25	92.00	96.70	95.60	96.45	96.10	96.20	96.10
Do. Refund	5	1943	4.84	102.95	101.15	102.20	101.15	101.60	101.20	101.60	101.25
Do. Refund	4½	1944	4.81	97.65	96.20	97.15	95.80	96.20	96.10	96.40	96.15
Do. Refund	4½	1946	4.76	....	....	96.50	95.65	96.45	96.10	96.45	96.10

News of the Investment Market

IF SOVIET PAYS RUSSIAN DEBTS, INVESTORS GAIN

More Hope Now of Canadians Getting Some of Their Capital

Will Canadians who bought Imperial Russian government bonds early in the war collect anything on account of their principal and interest?

Recent unofficial overtures by the Union of Soviet Socialist Republics at Washington are regarded by Canadian investment bankers as a hopeful portent, promising early negotiations for a settlement of Russia's external obligations which were repudiated by the Soviet government in 1918.

Russia floated two bond issues in the United States and Canada:

First.—$50,000,000 three-year loan at 6½ per cent., issued June 18, 1916, due to mature June 18, 1919, in the form of credit gold certificates secured by a deposit of 150,000,000 rubles in Russia to the credit of the American syndicate.

Second.—$50,000,000 five-year loan at 5½ per cent., issued Dec. 1, 1916, due Dec. 1, 1921, of which $25,000,000 only was actually offered.

Both Loans Repudiated

The external 5½ per cent. issue is now quoted in New York at around 12 bid, 13½ asked and the 6½ issue is quoted 13 bid and 14 asked, very low figures, it is true, but not indicating a widely held view among investors that the situation is hopeless.

Both of these issues were repudiated by the Soviet government in 1918. At that time a committee was formed among the bondholders who named the National City Bank of New York as depositary. The bondholders' committee has up to this time reported no progress.

There are some indications now of a disposition on the part of the Soviet to conform to the well recognized practice of all great nations to recognize its external obligations even though bonds issued internally might be repudiated.

Want U. S. A. Recognition

Moscow is now anxious to obtain recognition in Washington. The United States government is expected to take the view that recognition must be preceded by an assumption of Russia's debt to the United States government; by a settlement with American bondholders — and this would naturally include Canadian bondholders—and by the return of American property confiscated at the time of the revolution; and the cessation of Soviet propaganda in the United States.

In the meantime some of the bankers, who sponsored the Imperial Russian government issue, are recommending to holders of the bonds that they make the speculative plunge and "average down" their holdings of these bonds by buying additional bonds at present prices. If a settlement were made on a reasonable basis the profits on the new bonds would go far to offset losses on the bonds originally purchased. But the bankers are not recommending that anyone now unconnected with the situation should become embroiled.

Large amounts of the bonds are held by Canadian insurance companies and investing institutions.

Royal Financial Corp. Makes Two Offerings

Royal Financial Corporation, Vancouver, recently acquired and offered $73,300 (733 shares) of Fraser Companies 7 per cent. preferred. Stock was sold 99.

The issue represented no new financing by the company.

The Royal Financial Corporation is offering also a new issue of $100,000, 7 per cent., 15-year, first mortgage sinking fund gold bonds of the New Method Laundries, Ltd., at par, with a bonus of twenty per cent., of common stock.

The bonds are dated July 1, 1926, and are payable at Vancouver and Victoria, and are in denominations of $500 and $1,000 each. The bonds are callable at 105 on sixty days' notice.

The company has an authorized capital of $150,000 of first mortgage bonds, of which $100,000 is outstanding, and $200,000 of common shares authorized and outstanding.

BOND MEN IN ELECTION FIGHT

Capt. F. G. Johnston, who has accepted nomination as Liberal candidate in Toronto West Centre is president of G. A. Stimson & Co., bond dealers, of Toronto.

Montreal Terminals Issue Sold in N.Y.

Syndicate headed by White, Weld and Company, New York, is offering $3,000,000 6½ per cent. 25-year first mortgage bonds of Montreal Rail and Water Terminals. Bonds are offered at par.

A further issue of $600,000 of general mortgage bonds has also been taken by White, Weld and Company.

Financing was originated by Municipal Bankers' Corporation, Toronto, who were responsible also for construction and financing of Canadian Rail and Harbor Terminals, Toronto.

The Montreal firm is erecting a 600,000 sq. ft. warehouse in that city on property purchased from the Canadian Pacific Railway, and for which the railway company accepted securities junior to the bonds.

Canada Electric Company $450,000 of Bonds Offered

From Our Own Correspondent.

MONTREAL.—The investment houses of Hanson Brothers and the Eastern Securities Company are offering an issue of first mortgage bonds of the Canada Electric Company, whose steam plant at Chignecto, N.S., has a capacity of 2,700 h.p. The company has under construction another steam electric plant at Maccan, N.S., with a capacity of 5,200 h.p.; with the completion of the latter, substantial economies are anticipated, due in part to the use of cheap fuel from the adjacent mines.

The company also owns the street-lighting and public distribution system in the town of Amherst, together with a steam stand-by plant, to be used in the event of any temporary dislocation in the power supply. The company's territory is inter-connected with transmission lines of some thirty-four miles in length. Recently, a long-term contract, extending during the life of the present bond issue, has been closed with the Dominion Coal Company to supply the latter's mines at Springhill, N.S., with power. The company distributing electric light in Springhill has also contracted for a similar period for its entire power requirements. These contracts will greatly increase the earnings.

$450,000
Canada Electric Company

6½ per cent, 25 year, first mortgage sinking fund bonds.

Property: One 2,700 h.p. power plant and second plant under construction with a capacity of 5,200 h.p. Also the street lighting and power services of Amherst, N.S.

Valuation: After completion of expansion program, over $800,000.

Capitalization:	Authorized	Issued
6½% Bonds	$500,000	$450,000
Common Stock	500,000	450,000

Earnings: About $43,000 estimated for 1926. Bond interest requirements of this issue $29,250.

Sinking Fund: 2 per cent. annually, calculated to retire the issue by maturity.

The Company: Generates power from coal and distributes power in northwestern Nova Scotia with a total population served of 20,000. Under laws of Nova Scotia, company is entitled to earn 8 per cent. annually, plus 4 per cent. depreciation, on the value of its property.

Offered: August, 1926, by Hanson Brothers and Eastern Securities Company, at par to yield 6½ per cent.

St. Catherine Realty Issue to Yield Investors 6½%

Bonds of St. Catherine Street Realty Corporation are now being offerred by Johnston and Ward. This is the corporation that is erecting the St. James building, retail and office structure of three stories in height, on property owned by St. James United Church in the heart of the Montreal shopping district.

The building is being erected on leasehold land. Since mortgages on leasehold properties are something of a novelty in Canada, although widely sold in the United States, it is interesting to observe the measures incorporated in the trust deed to secure the bondholders.

The term of the lease covering the leasehold property extends to 1956, which is 10 years beyond the maturity of the bonds. At that time ownership of the St. James building reverts to the St. James United Church.

In the event of the whole St. James United Church property being offered for sale prior to 1956, the lease provides that the St. Catherine St. Realty Corporation should have the right for a period of 30 days to purchase at a price and on other terms equal to any offers which the lessor may be willing to accept. Failing the exercise of their right under this clause by the St. Catherine St. Realty Corporation, the church may take over the property during the currency of the lease on terms which will amply protect the bondholders.

$275,000
St. Catherine Street Realty Corporation
6½% First Mortgage Leasehold Sinking Fund Gold Bonds.

Dated, July 1, 1926. Due, July 1, 1946.

Property: Three storey office building in front of St. James United Church, St. Catherine Street, Montreal, under construction.

Security: First mortgage on building and leasehold. Lease is for 30 years.

Assets: Valuations of building and leasehold made by different realty firms are $550,000 and $595,000.

Earnings: Gross estimated at $126,000 or $58,525 after all expenses, but before bond interest.

Sinking Fund: Sufficient to retire bonds by maturity.

Capitalization	Authorized	Issued
6½% 1st Mtge. Bonds	$275,000	$275,000
Common Stock (no par)	20,000 shs.	10,000 shs.

Offered: August, 1926, by Johnston & Ward, 171 St. James Street, Montreal. Price, par, with ½ share of stock with each $100 bond.

We offer

City of Edmonton 5½% Bonds

Due Nov. 1st, 1945
Interest payable May 1st and Nov. 1st

Principal and interest payable Canada and New York

Price: 101⅜ and interest yielding 5.39%

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Gosse Packing Company, Limited

7% Cumulative Redeemable Sinking Fund Preferred Shares carrying a bonus of One Share Common with each Five Shares Preferred.

Price: Par and accrued dividend yielding 7%.

Fully descriptive circular upon request.

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MAPLE LEAF ASB. CORP. LTD.
ASBESTOS MINES, LIMITED.
BLACK L. ASB. & CHROME, LTD.

The present offering is a portion of an issue of $4,784,135 General Mortgage Bonds, guaranteed by a mortgage on all the assets of the Company, valued at over $20,000,000, and subject only to a prior issue of $3,000,000 of First Mortgage Bonds.

Price to yield 7%

Full particulars on request.

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Muirhead's Cafeterias

7½%

Preferred Shares

(with Common Stock bonus)

For years the service and food at Muirhead's Cafeterias have attracted profitable patronage. Average annual net earnings for the past six years is $56,763. A new cafeteria is being built on Adelaide Street, between Bay and Yonge Streets. Based on present earnings, this new cafeteria should earn $57,000 per year. Allowing liberally for contingencies, the earnings of Muirhead's Cafeterias should be over three times that required for interest on preferred stock. This would permit of a good dividend on common stock, one share of which is given as a bonus with each $100 par value preferred stock purchased.

Send for further particulars.

Gairdner & Co. Limited

312 BAY STREET - TORONTO 2, ONT.

Canadian Put Up Cup for Bond Meet's Golf

Ray Morris, president of the investment Bankers' Association of America, has issued the official call for the 1926 convention of the organization, to be held Oct. 11 to 15 in Quebec, Can. The Chateau Frontenac will be the official headquarters of the fifteenth annual convention, the announcement states, and for the first time in the history of the association, all guests and members will be housed under one roof. Arrangements are now being made for special transportation accommodations to carry the American bankers to Quebec, the plans calling for special de luxe trains running from New York and Chicago. Two specials will run from New York and three from Chicago, the specials from the latter city carrying the majority of the delegates from the Mississippi Valley and the West.

Golf will be interspersed with business. The Investment Bankers' Association of Canada has presented a trophy to be competed for on the basis of lowest gross medal score. The members of the golf committee are Lt.-Col. E. G. Hanson, Hanson Bros., Montreal, chairman; Norman N. Scott, Hanson Bros., Montreal, vice-chairman; Clarkson Potter, Hayden, Stone & Co., New York, and F. D. Chapman, A. E. Ames & Co., Ltd., Montreal.

Tenders and By-laws

August 28—School Commission of St. Jerome du Lac, P. Q.—$30,000, 5 per cent., serial debentures. D. Fortin, sec.-treas.

August 31—Town of Jonquiere, P. Q.—$270,000, 5 per cent. serial bonds. J. M. Lacroix, Clerk.

Sept 7—Port Colborne, Ont.—$20,000 5%, 20 instalment hydro and $43,000, 5%, 20 instalment school debentures. I. H. White, clerk.

Sept. 7—Crystal Beach, guaranteed by County of Welland, $90,364.12, 5½%, 30 instalments. J. G. Gross and D. D. Gross, Welland, village solicitors.

Sept. 6—Cabane, P.Q.—$13,200, 5% serial bonds. J. H. Beland, Sec.-Treas.

Sept. 7—Beauport, P.Q.—$40,000, 5% serial debentures. R. Belanger, Sec.-Treas.

SASKATCHEWAN

Authorizations granted by the local government board; from July 31st to August 7th, 1926:

Schools—Good Hope, No. 2674, $2,100, 10 years, Ann. N.E., 7%; Kelstern, No. 4610, $2,855.50, 10 years, Ann. N.E. 6%; Mannix, No. 4643, $3,000, 10 years Ann. N.E. 7%; Vidora, No. 3576, $6,500, 15 years, Ann. N.E. 7%; Clay Centre, No. 4672, $8,000, 15 years, Ann. N.E. 7%; Westeena, No. 2231, $5,000, 15 years, Ann. N.E. 7%; Sprattville, R.T. Co., $200, 2 years, Ann. N.E. 8%; Vanguard East, R.T. Co., $1,800, 15 years, Ann. N.E. 8%; Darwin, R.T. Co., $350, 5 years, Ann. N.E. 8%; Hope Lodge, R.T. Co., $1,000, 14 years, Ann. N.E. 8%; Hawarden, R.T. Co., $1,350, 15 years, Ann. N.E. 8%; Village of Dodsland, $1,500, 7 years, Inst. N.E. 6%; City of Regina, $3,000, Collegiate Site, 30 years, 5%, Geo. Beach, City Clerk, Regina.

BRITISH COLUMBIA

The following certificates for debenture issues have been issued by the municipal department of the Province of British Columbia:

May 22—Delta	5%	10 yrs.	$40,000
May 28—Kelowna	5½%	8 yrs.	8,000
June 11—Point Grey	5%	40 yrs.	243,600
June 11—Point Grey	5%	20 yrs.	60,000
June 11—Point Grey	5%	20 yrs.	40,000
June 11—Point Grey	5%	40 yrs.	50,000
June 11—Point Grey	5%	40 yrs.	52,000
June 11—Point Grey	5%	10 yrs.	27,000
June 11—Point Grey	5%	30 yrs.	18,000
June 15—Trail	5%	20 yrs.	40,000
June 19—Prince Rupert	5%	5 yrs.	28,000
June 22—N. Vancouver	5½%	20 yrs.	3,142
June 23—N. Vancouver	5%	5 yrs.	54,500
June 23—N. Vancouver	5%	20 yrs.	20,000
June 23—N. Vancouver	5%	5 yrs.	5,000
June 26—Point Grey	5%	15 yrs.	223,527
July 5—Trail	5%	20 yrs.	60,000
July 14—N. Westm'ter	5%	5 yrs.	20,000
July 15—Trail	5%	20 yrs.	23,424
July 26—Merritt	5½%	20 yrs.	35,000
July 31—Salmon Arm (City)	5%	10 yrs.	4,200
Aug. 2—Kamloops	5½%	25 yrs.	25,000
Aug. 2—Summerland	5½%	20 yrs.	30,000
Aug. 2—Salmon Arm (Dist.)	6%	20 yrs.	6,300
Aug. 4—Armstrong	5½%	10 yrs.	5,000
Aug. 4—S. Vancouver	5½%	30 yrs.	146,873
Aug. 4—S. Vancouver	5½%	30 yrs.	2,939
Aug. 4—S. Vancouver	5½%	30 yrs.	3,457
Aug. 4—S. Vancouver	5½%	30 yrs.	1,436
Aug. 4—S. Vancouver	5½%	30 yrs.	1,246
Aug. 4—S. Vancouver	5½%	30 yrs.	4,836

Robert Baird, Inspector of Municipalities.

CIVIC INCOME TAX UNPOPULAR AMONG ONTARIO CITIZENS

Some Municipalities Overlook Law and Would Abolish Tax

Ontario municipalities are in the throes of discussion of the municipal income tax. Provincial law requires that the municipalities shall assess incomes just as they assess property, and thus impose the mill rate upon the earnings of the citizens. Some municipalities have vigorously enforced the provision and have derived a very considerable revenue from the municipal income tax, revenue drawn with much pain from the taxpayers who pay federal income taxes in addition. Others have been more lax and have either ignored the law or have been so lax in collecting income tax information that they have virtually assessed only the odd honest man in the community who reported his income faithfully.

Forced to Collect Tax

One municipality recently went so far as to decide to abolish the tax, which only brought a few hundred dollars a year of revenue. The object was, no doubt, to make the township, which included suburban residential areas, an attractive place for rich Toronto citizens to establish themselves for six months and a day in each year. But the province informed the municipality that it had no option but to collect the tax.

Along the border cities, opposition to the tax has arisen. The city of Ford has announced its intention of overlooking the tax and Windsor may follow suit.

Toronto, on the other hand, enforces the tax rigidly and has set up a system for collecting income tax information that is about as air tight as could be. But even so the tax is not evenly distributed. Those who invest in Canadian companies pay taxes; those who buy foreign securities can dodge it. And two citizens living beside each other on the same street will be differently assessed, if one of them should live in the city and his neighbor should be outside the city limits, living in one of the townships that comprise Toronto's suburban areas.

Will Discuss Income Tax

When the Ontario Municipal Association meets in September the tax will come up for discussion and an effort will be made to get the municipalities to agree to its abolition. The resolution will likely be supported by the smaller municipalities and opposed by some of the larger ones.

The last record of Ontario municipal statistics showed that 1924 assessment of income totalled $132,653,710 in the province. This was about five per cent. of the total assessment of $2,714,000,719, and was divided as follows:

	Income Assessment	Total Assessment
Townships	$ 5,365,353	$ 771,937,324
Towns & Vill.	12,054,424	345,376,835
Cities	115,233,933	1,596,686,560
	$132,653,710	$2,714,000,719

Toronto Assessment Over Half Total

There was evidently considerable variation in the degree of rigidity of enforcement of income assessment. Dozens of municipalities collected no income tax whatever. Toronto had an income assessment of $73,189,933, which was greater than the income assessment in the entire remainder of the province put together. Income assessment in the cities of the province was as follows:

Cities	Income Assessment
Belleville	$ 450,514
Brantford	1,457,695
Chatham	381,359
Fort William	752,669
Galt	712,750
Guelph	466,844
Hamilton	9,000,880
Kingston	1,204,947
Kitchener	930,217
London	5,167,713
Niagara Falls	419,010
North Bay	438,225
Oshawa	567,601
Ottawa	12,169,689
Owen Sound	390,386
Peterborough	855,910
Port Arthur	500,145
St. Catharines	1,300,075
St. Thomas	587,742
Sarnia	693,984
Sault Ste. Marie	766,718
Stratford	517,335
Toronto	73,189,933
Welland	230,910
Windsor	1,892,700
Woodstock	187,982
Totals	$115,233,933

Strong Position of Finances Commends New Brunswick Bonds

Province's Industries Are Well Balanced and Stability Fulfils Lack of More Rapid Commercial Advancement

Notwithstanding that the Maritime Provinces have failed to progress from a commercial standpoint so rapidly as some other sections of the Dominion, the old provinces lead in the popularity of their bonds. Their financial standing is sound. Their borrowings are limited and amply secured. New demands upon the government for all sorts of services and added facilities, in comparison with a decade ago, are less marked than farther west. All this contributes to the favored position enjoyed by the bonds of New Brunswick.

Primarily, New Brunswick is an agricultural province. Yet the manufacturing industries yield more revenue than the farm. During the calendar year 1925 the total farm revenue from all sources amounted to slightly less than $40,000,000, while the products of the manufactories were sold for $70,114,006 in 1923, when the census of industry was last taken. Field crops last year accounted for $25,681,000 and dairy produce was worth nearly $8,000,000. Potatoes and hay are outstanding among the province's farm products, the latter yielding as much as $10,000,000 some years, and the former almost the same figure. New Brunswick's potatoes are famous in many parts of the United States and throughout the West Indies.

The manufacturing industries of the province are widely diversified. In 1923 there were 872 plants representing invested capital of $84,563,968 and employing more than 16,000 on a payroll of $12,068,164. These plants turned out products worth $70,114,000, using materials valued at $40,181,251, a large proportion of which was produced within the province. The leading industries are lumber, lath and shingle mills, pulp and paper plants and textile mills. These three classes lead both in capital investment and in output. Fish preserving plants are second from the standpoint of number of men employed.

Lumber a Great Asset

The lumber wealth of the province is one of its great assets as well as one of the leading sources of revenue. The issuing of licenses on crown lands to private parties is a source of governmental revenue. The leading timbers are spruce, fir and cedar. Nineteen-twenty-four's primary forest products were equivalent to more than 240,000,000 feet of standing timber valued at $20,519,589. Lumber worth $12,407,262 was cut. During the same year nearly 100,000 tons of pulp were produced with a value of $6,205,312, and of this amount sulphate accounted for 75,119 tons valued at $5,146,000. The balance was 6,879 tons of groundwood pulp.

The fishing waters of New Brunswick add greatly to the revenue of the province. During the calendar year 1925 the revenue realized from this source amounted to $4,798,589, which was slightly below the 1924 figure of $5,383,809. This comprises all fish marketed for consumption, both fresh, cured, canned and otherwise prepared. The primary operations represent a capital investment of $3,690,824, while the canning and curing establishments represent capital of $1,563,426. There were 8,939 employees in the former and 1,972 in the latter, so that fishing is a fairly important industry.

Power development and mining are more or less in their infancy in New Brunswick. There are vast mineral resources as yet untouched. It is estimated that 151,000,000 metric tons of coal are available for exploitation.

Province Sound Financially

The financial statement of the province shows revenue of $3,667,611 and expenditures of $4,154,730 during the year ended October last, although revenues are normally larger. The gross funded debt at that time was $35,015,909, the second smallest debt among the provinces. The per capita debt was $90. There was a revenue producing debt of $3,700,000 and the net funded debt was $29,098,808, or $75 per capita. The province receives an annual federal subsidy of $666,765 from the Dominion government. General sinking funds last October amounted to $2,217,101. The assessed value of real property in the province was $200,000,000, or $516 per capita. The total value of provincial assets was $35,077,297.

The bonds of the province are sought both by individuals and by institutions. The twenty-year bonds average about 4.95 but a current quotation on a 13 year premium bond is 103.50, which represents a yield of about 5⅛ per cent. These prices are sufficient to show the general price level.

Alberta Tax Committee Will Hear Views on Taxation

Sittings of the Alberta Tax Committee under the chairmanship of Dr. H. M. Tory, will be held in Calgary on September 15 and 18; in Lethbridge on September 16 and in Medicine Hat on September 17, according to an announcement from Edmonton.

The sittings of the committee are wide open to any who wish to appear before it. Any individual tax payer, large or small, any tax-paying corporation or organization, or any taxing authority is at liberty to present whatever views they may wish to the committee on the matter of taxation.

Rutherford Milling Damage is Covered

The Rutherford Milling Co. of Blenheim, Ont., on which a $50,000 public offering of mortgage bonds was sold recently, was destroyed by fire this week. The plant consisted of isolated office, five-storey brick flour mill, wheat elevator, bean elevator and warehouse. The last appraisal a year or so ago was $140,000 for the buildings and machinery. The bondholders are concerned in the insurance, the details of which are not being made public pending settlement by the adjusters but it is reported the total insurance will be in the neighborhood of $100,000. The plant was one of the best, being equipped for grinding hard and soft wheat, and until a year or so ago had run several years full 24 hours each day.

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in an issue of

$650,000.00

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Salmon Fishing now at its height

The salmon fishing season is now at its height on the Pacific coast. From every viewpoint the 1926 season promises to be notable.

What is described as a magnificent catch of the finest salmon is now under way. Owing to the extended world demand, prices for the pack are considerably higher, and the Gosse Packing Company, one of the largest companies on the Pacific coast, already has disposed of the greater part of its output.

We have prepared a booklet, "Salmon Canning," which describes every detail on which to form an opinion as to the salmon industry itself and the soundness of the issue offered by the Gosse Packing Company. A copy will be forwarded on request.

GO22

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Investment Bankers

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136 St. James Street MONTREAL MAIN 8542

NEW ISSUES

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1st Mortgage 5% Bonds Due 1956

Price: 94 and interest to yield 5.40%

Gatineau Power Co.

6% Gold Debentures Due 1941

Price: 99.50 and interest to yield 6.05%

The Anticosti Corporation

1st Mortgage 6½% Bonds Due 1941

Price: at market to yield about 6½%

The Anticosti Corporation

7% Cum. Preference Shares

Price: 97.50 and dividend to yield 7.18%

We recommend these securities as sound and profitable investments

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E209

Trustee Investments

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Besides being "legal" for trust funds, they should be bought by those to whom safety of principal is imperative.

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Power Development in The Land of Evangeline

Municipalities and industrial concerns throughout the Annapolis Valley look to the Avon River Power Co. Limited for light and power.

The company is enjoying steady expansion, and there is every indication that its present healthy condition will continue indefinitely.

The First Mortgage 5½ per cent. Sinking Fund Gold Bonds of the company offer a splendid investment, being amply secured and yielding a satisfactorily high return.

We own and offer these bonds at

98.50 and accrued interest to yield more than 5.60%

Descriptive circular on request.

JOHNSTON AND WARD

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Members: Montreal Stock Exchange — Toronto Stock Exchange

Our Selected List of Bonds

This list is being constantly revised and is a reliable guide for the investor who requires safety combined with the largest possible yield. We will gladly make suggestions to meet your particular needs without obligating you in any way.

Municipal Bankers Corporation LIMITED

34 King Street, East, Toronto

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Phice	Cost Basis
Canadian School District, Sask.	Aug.	Cross & Co., Regina	5¾%	10 yrs.	$1,300	....	...
Triumph, Sask.	Aug.	Sask. Mutual Fire Insur. Co.	6%	15 yrs.	4,500	....	...
Turtle Grove, Sask.	Aug.	Sold locally	5½%	10 yrs.	2,000	....	...
Hazenmore, Sask.	Aug.	Cross & Co., Regina	6%	10 yrs.	3,200	....	...
Terpenia, Sask.	Aug.	Cross & Co., Regina	6¼%	10 yrs.	600	....	...
Wilkie, Sask.	Aug.	Moorhouse & Co., Regina	6%	10 yrs.	2,500	....	...
Valentine, Sask.	Aug.	Waterman & Waterbury, Regina	5¾%	10 yrs.	2,000	....	...
Gowan Lea, Sask.	Aug.	Cross & Co., Regina	5¾	15 yrs.	3,500	....	...
Dunelm, Sask.	Aug.	Waterman & Waterbury, Regina	5¾%	10 yrs.	1,000	....	...
Old Trail, Sask.	Aug.	Melfort Skg. Fund	5¾%	5 yrs.	1,000	....	...
Neuhoffming, Sask.	Aug.	J. Alcock, Langhan	6%	10 yrs.	3,000	....	...
Cadillac R.T., Sask.	Aug.	Houston, Willoughby & Co., Regina	5¾%	15 yrs.	18,700	....	...
Elrose Village, Sask.	Aug.	Houston, Willoughby & Co., Regina	6¼%	12 yrs.	6,500	....	...
Grasswood R.T. Sask.	Aug.	Saskatchewan Mutual Fire	6%	15 yrs.	1,550	....	...
Glenavon North R.T., Sask.	Aug.	Sold Locally	7%	13 yrs.	180	....	...
Foam Lake, Sask.	Aug.	H. J. Birkett & Co., Toronto	6½%	15 yrs.	11,500	....	...
L'Enfant Jesus, P.Q.	Aug.	J. L. Cleche	5½%	20 yrs.	26,000	par	5.50
Chippawa, Ont.	Aug.	Stewart, Scully & Co.	5½%	20 in.	67,500	101.25	5.35
Assiniboia Hospitals	Aug.	Houston, Willoughby & Co.	6%	20 yrs.	35,000	....	...
Hawkesbury, Ont.	Aug.	W. L. McKinnon & Co.	6%	20 in.	19,986	104.70	5.44

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues—	Date issued	Offered by	Rate	Due	Amount	Price	Yield
New Method Laundries	Aug.	Royal Financial Corp. with bonus of 20% of common stock	7%	1941	100,000	par	7%
Canada Electric Co.	Aug.	Hanson Bros. and Eastern Securities Corp.	6½%	1951	450,000	par	6½%
St. Catherine Realty		Johnston & Ward with bonus of ½ share of common stock with each $100 bond.	6½%	1946	275,000	par	6½%

PAPER TONNAGE INCREASING AND CONSUMPTION TOO

(Continued from page 6)

scheduled dates. Then again it takes many months to bring a new machine up to its full capacity. The first new machine at the mills of Port Alfred commenced operating in May and by the second week in August it was producing at 90 per cent. capacity. But this machine was tuned up quickly and the management is justly pleased with the result. Other machines may not be tuned up so quickly.

So that, while the capacity of the North American mills will be increased by 1,850 tons by next June, this is far from saying that the output will be increased by this figure on that date. The reverse, in fact, is true.

Outlook Entirely Favorable

In the meantime, the outlook favors a continuance of the increasing consumption of newsprint in the United States in the months to come. Advertising lineage this year in the American papers shows a greater increase than during the first seven months of 1925; it is the amount of advertising space which is utilized upon which depends the size of the newspapers.

The unfilled steel orders in the States at the moment are higher than they were a year ago; this indicates a continuance of bettered business and with this favorable factor all other economic signs agree. The circulations of the U. S. papers as a whole also show a well maintained growth. This naturally explains the reason for the better investment sentiment towards the newsprint industries which is at present being reflected in Canadian stock markets.

Production Still Mounts

In the month of July the total production of the U. S. and Canadian mills amounted to the highest in history, 303,553 tons. This figure compares with 300,767 tons produced in the preceding month and an average during the first quarter of the year of only 281,667 tons.

Notwithstanding this marked increase, the stocks of paper on hand at the Canadian and the U. S. mills actually showed a further decline. During the month of July, the Canadian mills produced an average daily tonnage of 6,333 tons, another record, whilst the production in the States, which with the present installations in the mills there, has pretty well reached a peak, remained stationary with an average daily production of 5,687 tons. The total Canadian production for the month is now well in excess of the U. S. and amounted to 163,037 tons as compared with 140,516 in the latter country.

DIRECTORS REPLY TO OPPOSITION TO PROVIDENT SALE

(Continued from page 1)

have made no definite offer which could be considered on a par with that recommended by the directors. The various points of criticism which have been raised against the proposal are dealt with in the company's circular to shareholders as follows:

1. "We receive no interest from July 1 to Sept 9, 1926, if we decide to sell."

Answer.—The agreement says (Clause G.) that interest will paid on the debentures from July 1, 1926. No interest will be paid on the $100 cash on completion of the transaction. If any shareholder prefers to receive debentures instead of $100 cash he will receive interest from July 1, 1926. The Huron & Erie authorize this statement. The agreement states that interest will be added from July 1, 1926, upon the $10 reserve fund.

2. "We will be liable to the payment of income tax as above set forth."

Answer.—This matter has not yet been definitely settled, but legal authorities consulted are of the opinion that no taxation liability exists upon undistributed income earned prior to 1921. In any event the amount payable will be very small and many shareolders will not be affected at all.

3. "We will lose $5.88 per share if it becomes necessary to sell our Huron & Erie debentures because their market value is $95.37 per $100 debenture."

Answer.—If any shareholder should of necessity be forced to sell, the Huron & Erie will undertake to find a purchased at $98, and possibly at par.

4. "We may never receive $10 per share which will be withheld from us and certainly we will be deprived of interest on it for four years."

Answer.—The Hamilton Provident manager at Brandon has stated that given fair average crop conditions he expects to liquidate a certain ear-marked list of mortgages which represent this $10 reserve fund, so that our shareholders may reasonably look forward to receiving as much as $7 per share, if not more. In any event whether the agreement is approved or not the loss on these mortgages, if any, must be borne by the Hamilton Provident shareholders. As already explained, interest will be paid on his $10 reserve fund from July 1, 1926, which would amount to $2.50 in 5 years when the reserve fund is closed.

5. "Our assets are undervalued which means that our stock is worth at least $4 per share more than is offered us."

Answer.—The Huron & Erie offer $227 per share plus an amount necessary to place the entire staff of the Hamilton Provident on their pension list. This amounts to more than $70,000 or approximately $6 per share, making a total of $233 per share to the Huron & Erie.

6. "A Canadian financial institution has offered to advance $230 cash per share for a period of some months to enable Hamilton citizens to retain a Hamilton institution should a syndicate be formed for the purpose. You will receive only $100 cash per share from the Huron & Erie."

Answer.—This is too vague and uncertain to require a specific answer. Unless we could see the proposition in writing and know all the conditions attached to it we are unable to give an intelligent opinion. We very much doubt if any experienced financial institution would lend itself to such a transaction without the personal covenants of very responsible persons.

Insurance for Buyer and Seller

Explanation Made of Co-Insurance Clause

The following lucid explanation of the co-insurance clause is given by the North British and Mercantile Insurance Company:

The co-insurance clause in effect is an agreement between the insured and the company that the former shall maintain insurance equal to 80, 90 or 100 per cent. (as the case may be) of the value of the property covered, and failing so to do shall himself bear such portion of any loss as the insurance lacking would have paid if in force.

If the 100 per cent. or full co-insurance clause is used, then the insured is entitled to recover such proportion of any loss as the total insurance bears to the total value of the property covered. Thus, the insured maintains concurrent insurance equal to the total value, the insurance pays all of any loss; if less than the value then it pays proportionately less of the loss.

The 80 per cent. clause is identical in principles with the foregoing, merely reducing the amount required from 100 to 80 per cent. of the value of the property covered. Thus if the insured maintains concurrent insurance equal to 80 per cent. of the value, the insurance pays all of any loss (up to the face of the policies.)

Saskatchewan Takes Lead in New Insurance Written

Ten Per Cent. Increase Recorded in New Business For First Seven Months of Year

An increase of 10 per cent. has taken place in the volume of life insurance written in Canada during the first seven months of the year as against the same period last year. The total this year to date is $268,918,000 against $244,764,000. The month of July was 6 per cent. greater than July of last year, being $40,101,000 against $37,671,000. These figures, compiled by the Life Insurance Sales Research Bureau of Hartford, include companies having in force 84 per cent. of the total outstanding business in Canada. The figures presented cover only new business. Renewals, increases, dividend additions, re-insurance from other companies and group insurance are not included.

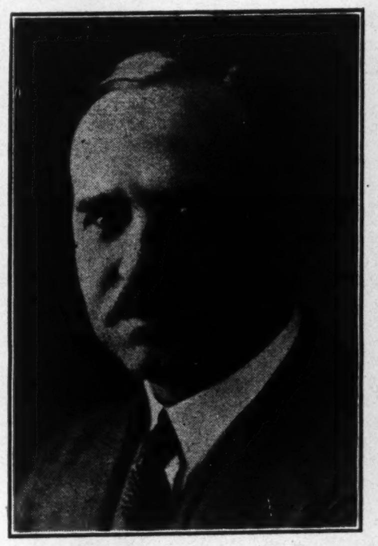
The increase shown was contributed to by all the provinces of the Dominion with the exception of British Columbia and Manitoba. The greatest gains were made in the provinces of Saskatchewan and Nova Scotia. The former showed an increase of 34 per cent. ad the latter, 16 per cent. The smallest gain, 7 per cent., was made by Ontario. In so far as cities are concerned, July's improvement is most noticeable in Quebec where there was a 30 per cent. gain and in Winnipeg where the gain was 16 per cent. Total sales by provinces last year were as follows:

	July	1925 Complete
Alberta	$ 2,626,000	$ 23,684,000
British Columbi	2,605,000	23,746,000
Manitoba	2,671,000	26,438,000
New Brunswick	882,000	8,590,000
Nova Scotia ...	1,067,000	11,007,000
Ontario	14,753,000	137,172,000
Prince Edward	219,000	1,652,000
Quebec	9,854,000	88,474,000
Saskatchewan .	2,662,000	22,699,000

Total sales in Newfoundland last year amounted to $2,828,000, making a total for Canada and Newfoundland, for the year, of $391,163,000.

The cumulative total for the year to date, as already stated, is $268,918,000. In this total each of the provinces shared, an improvement having taken place from coast to coast. As in the case of July figures, Saskatchewan made the largest increase showing a gain of 28 per cent. Ontario and Quebec, in which more than 65 per cent. of the business has been sold this year showed increases of 6 and 12 per cent. respectively. Montreal led the cities for the first seven months of the year with a 14 per cent. gain over the same period last year. There was a gain of 10 per cent. also for the twelve months ended July 31. Totals by leading cities in 1925 were as follows:

	July	1925 Complete
Hamilton	$ 437,000	$ 3,634,000
Montreal	3,902,000	32,713,000
Ottawa	348,000	3,142,000
Quebec	731,000	7,679,000
Toronto	4,328,000	35,702,000
Vancouver	638,000	5,544,000
Winnipeg	1,178,000	13,478,000



SIDNEY H. PIPE, F.A.S., A.I.A. Actuary, Independent Order of Foresters, who was elected vice-president of the National Fraternal Congress of America, at Buffalo, on August 19th. The Congress is composed of eighty-seven fraternal societies, who have a combined membership of over 5,000,000.

WARNING ISSUED TO CASUALTY COMPANIES

Dominion Insurance Department Sends Memo on Certain Illegal Practices

A warning has been sent out by the Dominion Department of Insurance to British and foreign casualty and fire insurance companies doing business in Canada with regard to certain practices alleged to be in violation of the law. Such practices consist of writing in Canada, from the outside, classes of business for which these companies have not been licensed, and also for writing coverage on Canadian risks and failing to report this insurance to the Canadian department. The memoradum was in part as follows:

The department's circular of Dec. 10, 1925, asked the insurance companies, issuing in Canada through their marine departments, policies covering against risks other than strictly ocean marine and inland marine risks, to file copies of all such policies with the department. To this circular a number of the companies have not yet replied and the department would appreciate hearing from these companies as soon as possible. If no such policies are issued a reply to that effect should be made.

The replies so far received go to show that a number of insurance companies incorporated outside of Canada and licensed by this department under the Insurance Act, 1917, are issuing, through their head offices or branches outside of Canada, policies on risks situated in Canada, which policies in some cases include cover against risks not covered by the company's Canadian license.

It is also apparent that risks in Canada originally offered to the Canadian management and rejected are frequently later written through brokerage offices outside of Canada on forms prescribed for use outside of Canada. Cases have also occurred in which risks so written have not been reported to the Canadian chief agent.

With respect to these practices the department wishes to point out that:

1. Any insurance company licensed by this department to transact business in Canada which issues through a broker or otherwise a policy on risks situated in Canada and covering hazards against which the company is not licensed in Canada to insure, violates the law and renders itself liable to the penalty prescribed by section 46 of the act.

2. Where a company issues through an office outside of Canada or otherwise a policy on a Canadian risk and covering hazards against which it is licensed to insure in Canada, the policy should conform with the statutory conditions of the province in which the risk it situated. Furthermore, such business must be reported to the Canadian chief agent.

Many New Companies in Annual Financial Review

The 1926 edition of the Annual Financial Review, edited by W. R. Houston, is now available, and should be of great interest and value to financial institutions and the investing public owing to the fact that the past year has been a record one for new listings on the exchanges and for public offerings. Some of the statements appearing for the first time are: Asbestos Corporation, Ltd., Alberta Pacific Grain Co., Arnold Bros, Ltd., Brantford Cordage, Building Products, Canadian Bakeries, Canada Biscuit Co., Canadian Oil Co., Gotfredson Corporation, International Power Co. McKinnon Industries, Ltd., Manitoba Paper Co., Moirs, Ltd., National Groceries, Ltd.

Tobacco War Possibilities Being Discussed in London

LONDON.—The flowing tide of speculation in tobacco shares was checked when the Courtaulds interim dividend was reduced, and it has been converted into a selling movement by the rumors of a tobacco trade war. It is extremely improbable, says the Stock Exchange Gazette, that the big combines — the Imperial Tobacco and the British American Tobacco companies — will start a price-cutting campaign, one reason being that price-cutting is recognized as an uneconomic and almost obsolete weapon; but it seems quite probable that an intensive sales campaign, especially in overseas markets, is commencing. This implies heavier expenditure in advertising and sales organization and perhaps a temporary reduction of net profits, except in so far as the campaign succeeds in bringing about an expansion of turnover.

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The Northern is the only Canadian insurance company which offers the attractive new policy known as the Coupon Savings 20-Pay Life.
At age of 30 a $5,000 policy costs $185.50 a year. Dividend amounts to $24.75 at beginning of second year and increases substantially every year thereafter. Benefits are $5,000 for natural death, $10,000 for accidental death and $50 a month for total and permanent disability with all future premiums paid by the Company.
Write our Home Office for further information, or see your nearest Northern Life Agent.
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LONDON, ONTARIO — ESTABLISHED, 1897

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Writing Fire Insurance at Cost. Assets $3,118,764.07.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All policies dividend paying and non-assessable.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
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Choose an Executor Who Never Grows Old
THAT friend of yours—the brilliant, capable business man—is at the high tide of his powers. Mental power has matured; physical power has not begun to wane. It is natural that you should consider naming him as your Executor.
But does it occur to you that the tide ebbs for a man just as surely as for the sea? Suppose you live for another twenty or thirty years—will he be the same executor then that you choose now?
The Canada Permanent Trust is exempt from old age. It retains the wise counsels of its older Directors. It is constantly recruited with the vigor of youth. Twenty-five years from now—as now—it will be equipped to handle your affairs with skill and prudence.
You cannot foretell the future of any man you know. Give your estate and your family the services of an Executor whose future you can foretell:—
THE CANADA PERMANENT TRUST CO.
Paid-up Capital One Million Dollars
Toronto Street, Toronto.
Manager, Ontario Branch - A. E. HESSIN

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Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Metropolitan Life Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.
Business Written in Canada in 1925....... $165,123,047 More than that of any other company.
Insurance in force in Canada, end of 1925. $633,544,790 Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,218,742 Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $125,160,919
Invested in Canadian Government and Municipal Bonds.. $ 88,743,283

Canadian Head Office Ottawa, Canada.

Cheerfully Independent!
Some day you will be considered "too old for the job." When that day comes, how will it find you — trusting to relatives or cheerfully independent?
A little saved from salary and invested in a Great-West Life Endowment policy will make old age the brightest portion of your life.
Protection with Profit
The Great-West Life Assurance Company
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INVEST YOUR SAVINGS in a 5½% DEBENTURE of The Great West Permanent Loan Company
5½% Interest Return
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
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2 for 25¢
Most men are not "shoppers". They find an article of quality and stick to it. The Preferred Panetela was never more popular than it is to-day.

Current Events in Banking World

PAR COLLECTION IN UNITED STATES NOT AS IT SEEMS

The Customer Pays for Service as in Other Respects

When American banking practice is compared with Canadian practice, it is frequently stated that in the United States, cheques are collected at par, and this is quite true according to American interpretation of the term, but not as we in Canada understand it. There, when a depositor is told that a certain item will be accepted from him at par, it means that he either receives cash at once for the face amount of the cheque, or it is credited to his account, and he may draw against it up to the full face amount as soon as he likes. In the United States the general practice is to hold the proceeds of the item long enough to permit the bank to realize on out-of-town items deposited. This may be from one to eight days, depending, of course, on how far the item must be sent for realization. The par collection, in the sense that no charge is made, is only between the bank and the Federal Reserve Bank to which the item is sent. The Federal Reserve Bank makes no charge to its members for this service; but does not give credit for out-of-town items, until it has realized on them.

As the member bank does not receive credit for such items until the expiration of the regulation time, naturally it can hardly be expected to allow its customers to use the proceeds in the interval. Further, the American banking law requires a fixed percentage of cash reserve against its deposits in the shape of a balance, in collected funds, at its credit in the Federal Reserve Bank, and if it were willing to permit the depositor to use the funds, it would not only be out the interest while the item was in transit, but because of the cash reserve regulations, would be reducing its cash reserve proportionately as well. The net result is that the customer waits, unless he carries such a free credit balance that the bank is protected against loss.

At one time it was the custom to credit these out-of-town cheques to the customer at par, the bank absorbing all the expense, but since the introduction of the Federal Reserve, this unfair system has been changed, and customers pay for what they get at rates fixed by clearing house associations, and sanctioned by the Federal Reserve Banks. These rates are based on cost, and must be paid by all. The big depositor with his large volume of cheques pays at the same rate as the small man, for the same service. Most of the clearing houses print schedules of these standard charges on out-of-town cheques. Some points are named, cheques on which may be taken without charge at the bank's discretion, but with most, a charge of from 1/40 to 1/10 of one per cent., minimum 10 cents, must be paid as a commission charge, quite apart from any rule as to the time which must elapse before the funds will be available to the depositor. When these rules are made, they are enforced, and stiff penalties await any infractions. One bank in a large American city, not long ago paid $5,000 for shading the terms set out in the schedules. Some think that these standard rates based on cost, and which must be paid by all, account in a large measure for the popularity of the American system, particularly the Federal Reserve system, has in its own country.—A. B. B.

THIS BRANCH NOT CLOSED

It is stated at the head office of the Canadian Bank of Commerce that the branch of the bank at Collingwood, East, B. C., has not been closed as previously announced.

SASKATCHEWAN'S INDUSTRIES

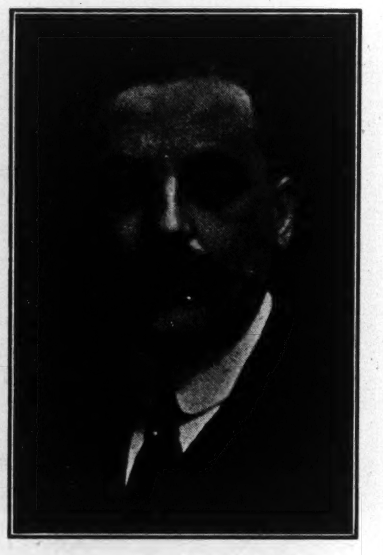
REGINA.—Although primarily an agricultural province, Saskatchewan has of late years taken an increasingly important position as an industrial area. In 1905, there were 55 small plants operating in the province with a total invested capital of $3,280,975, employing 1,376 persons and turning out a product valued at $2,443,801. In 1922, the last year for which complete statistics are available, the number of plants had increased to 605, capitalization to $30,268,144, employees to 4,126, and the value of output to $38,672,828.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES	Aug. 20, '25	Aug. 19, '26
St. John	$ 2,192,742	$ 2,483,417
Halifax	2,590,810	2,932,930
Moncton	738,369	767,716
Sherbrooke	......	1,026,094
Quebec	6,006,223	5,335,038
Montreal	98,762,983	111,006,619
Ottawa	6,195,383	6,797,877
Kingston	797,600	795,783
Peterborough	708,000	......
Toronto	80,410,360	95,030,650
Hamilton	4,652,065	4,855,067
Brantford	872,238	1,021,501
London	2,487,267	......
Kitchener	937,545	937,388
Windsor	3,512,693	3,970,092
Total East	$210,834,278	$236,960,172
WESTERN CITIES		
Fort William	$ 669,333	$ 745,518
Winnipeg	40,818,202	39,046,184
Brandon	726,551	689,469
Regina	4,620,585	4,555,241
Saskatoon	1,195,742	......
Moose Jaw	1,063,100	1,153,852
Prince Albert	342,268	369,534
Lethbridge	538,147	506,820
Calgary	5,823,327	6,575,211
Edmonton	4,629,585	4,661,616
Medicine Hat	249,594	248,342
Vancouver	16,645,721	17,642,744
Victoria	1,956,111	2,270,811
New Westminster	636,266	750,002
Total West	$79,914,532	$79,215,344

G.T. Somers, Chairman of Board of the Standard Bank, is Dead



An outstanding figure in the business and financial community of Toronto and of Ontario, and a banker known throughout Canada, has been removed by the death of G. T. Somers, formerly president of the Sterling Bank and chairman of the board of the Standard Bank since the amalgamation; Mr. Somers was also president of the Crown Life Insurance Co., vice-president of the Muskoka Navigation Company and held interests in a number of other undertakings.

Born at Barrie, he received his education in his home town and at Kingston Collegiate. As a young man he went into the private banking business at Beeton and also became interested in grain, forming the Canada Grain Company some years later and then 22 years ago moving this company to Toronto where it was launched on a successful career. He was very largely concerned with the organization of the Sterling Bank in 1905, remaining as president until the amalgamation with the Standard Bank a few years ago.

For sixteen years he was the chief executive of the Crown Life Assurance Company and under his presidency this company made splendid progress, becoming one of the country's strong financial institutions.

Staff Gossip

Wm. McLean, of the Bank of Montreal here, has been transferred to the Bank of Montreal, London.—The News, Seaforth, Ont.

* * *

J. S. Roberts, of the Bank of Commerce staff, has been transferred to the Innisfail branch. — The News, Medicine Hat, Alta.

* * *

Fred Goodman left for Roseton, Sask., where he has been transferred by the Bank of Toronto. — World-Spectator, Moosemin, Sask.

* * *

Ralph G. Sharpe, for some time manager of the Provincial Bank at Sackville has resigned and will become manager of the branch of the business at Newcastle. —The Transcript, Moncton, N.B.

* * *

Word has been received in the city of the appointment of B. J. Mellish of the credit department of the Bank of Commerce in Vancouver to have charge of the local branch in place of S. K. Campbell, who takes the position of inspector.—The News, Prince Rupert, B.C.

* * *

D. G. Nairn, accountant at the local branch of the Bank of Toronto for several years, has been appointed manager of the Bank of Toronto branch at Colborne, Ont. He takes up his new duties this week. Many friends are congratulating him on his advancement.—The Reporter, Galt, Ont.

* * *

S. K. Campbell, manager of the Bank of Commerce in this city, has received notification that be has been appointed an inspector for the district and that he will be leaving the city at an early date and will henceworth make his headquarters at Vancouver. He will probably get away in about three weeks, and will be accompanied by Mrs. Campbell. Mr. Campbell came here in December, 1924, and during his stay here has been active in a number of lines of public work. He is at present president of the hospital board, a member of the council of the board of trade, and a member of the museum board. On each of these he will be much missed and especially on the hospital board where he has been particularly interested. — The News, Prince Rupert, B.C.

* * *

W. G. Hamilton, manager of the Canadian Bank of Commerce here for the past six years and three months, is leaving shortly for Regina, having been transferred to that point for service in the superintendent's department. His position here will be filled by Mr. S. H. Curran, of Biggar. Mr. Hamilton is the dean of the local banking profession, being the oldest bank manager in Yorkton in point of years of service at this point, and he will be greatly missed in both financial and business circles. Under his management the business of the Bank of Commerce here has more than doubled and the staff has been considerably increased and his transfer to the superintendent's department is in the nature of well-earned promotion.—The Star, Radville, Sask.

Bureau's Aim is to Conserve Our Lumber

The operations of the White Pine Bureau which has been formed to stimulate the market for white pine are thus described by Geo. Wilson, general manager of the bureau:

The Bureau is in affiliation with the Canadian Lumbermen's Association and was organized by the producers of white pine in Ontario and Quebec.

The work of the bureau is primarily designed to stimulate the market for white pine, which has been languishing to some extent during recent years, owing to the competition of Western lumber — both Canadian and American—and of various substitutes and southern softwoods.

The bureau's propaganda work will include the issuance of bulletins, pamphlets, radio broadcasting and magazine articles, etc., advocating the durability, workability and superiority and suitabilty of white pine for interior and exterior building purposes. In other words, the bureau will prosecute its activities as a trade extension organization in the interest of producers and distributors of Canadian white pine.

This wood for many years by reason of its soft, even texture, its durability and outstanding qualities for interior and construction work, easily held first place in the softwood market. But for the reasons already explained, and possibly because of a somewhat apathetic attitude on the part of white pine producers in forcing and advertising their wares, lost ground to the manufacturers of lower grade softwoods.

Another factor which has had a deleterious effect upon the white pine industry, is the wide spread but erroneous belief that the white pine forests of Eastern Canada were practically depleted, and the bureau will endeavor to correct that misapprehension.

The white pine manufacturers now realize that to keep pace with their competitors, intensive exploitation of the retail markets and education of architects, builders, etc., to this and the trade generally, with respect to the superiority of white pine is essential if the industry is to hold its proper place in the lumber world.

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Capital Paid Up $20,000,000
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GLASS of all descriptions
All kinds of flat glass available
For immediate delivery and in large quantities.
Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.
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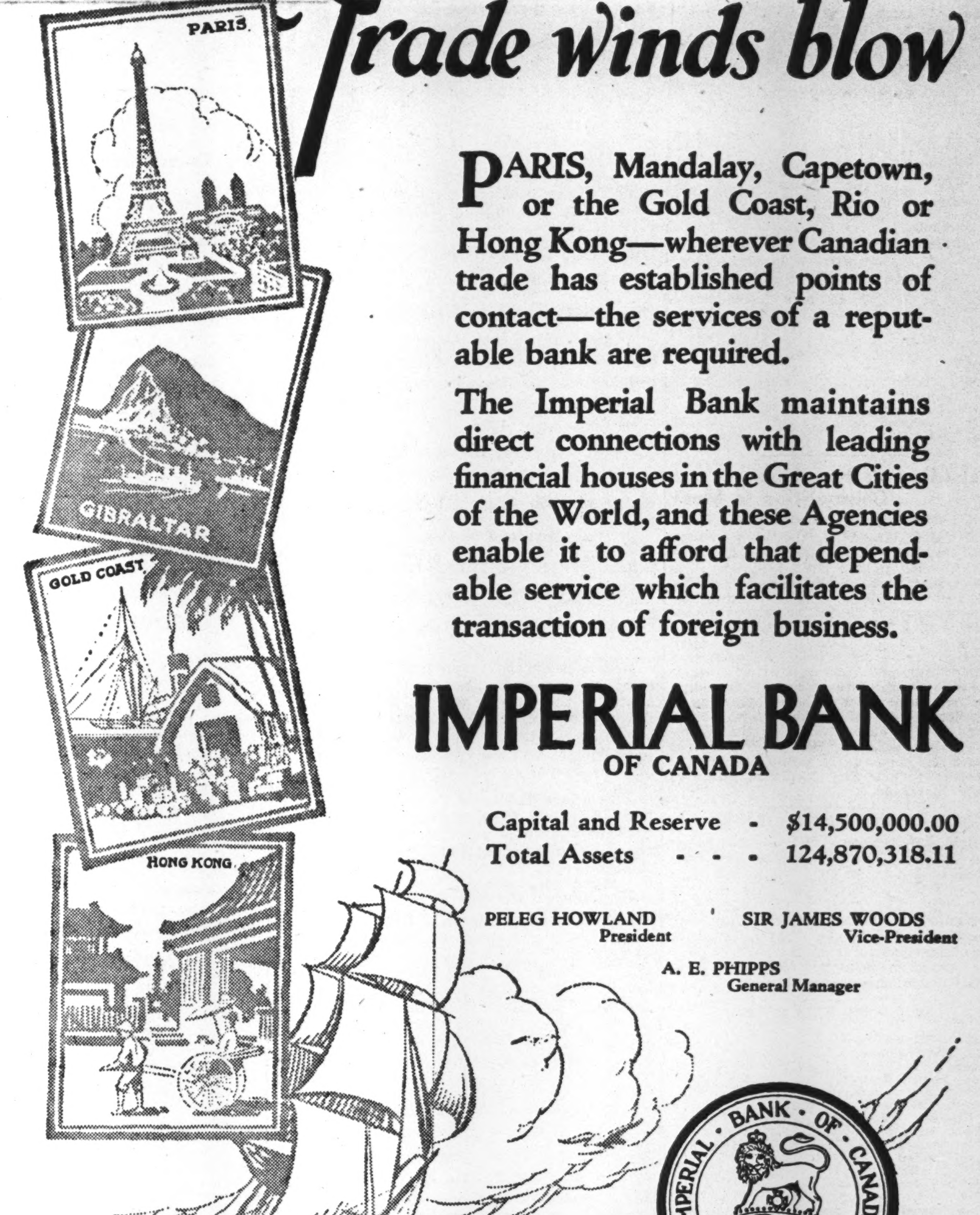
Wherever Trade winds blow


PARIS, Mandalay, Capetown, or the Gold Coast, Rio or Hong Kong—wherever Canadian trade has established points of contact—the services of a reputable bank are required.
The Imperial Bank maintains direct connections with leading financial houses in the Great Cities of the World, and these Agencies enable it to afford that dependable service which facilitates the transaction of foreign business.
IMPERIAL BANK OF CANADA
Capital and Reserve - $14,500,000.00
Total Assets - - - 124,870,318.11
PELEG HOWLAND President
SIR JAMES WOODS Vice-President
A. E. PHIPPS General Manager

The Foreign Exchanges

Conducted by S. J. ZACKS.

Marked heaviness in Sterling constituted a noteworthy feature during the past week. Sterling on Wednesday closed at \$4.84½ as opposed to \$4.85⅝ a week ago. Weakness in Sterling was attributed to critical developments in the coal strike as well as to the heavy seasonal commodity imports. In some quarters it is expected that the gold export point will be reached in the near future, and that the Bank of England will have to export considerable of its accumulated gold.

U. S. funds continue weak and hovered about 3/16 per cent. discount during the past few days. It is rumored that \$4,500,000 gold shipment left New York for Montreal on Wednesday afternoon. It is expected that with the declining tourist traffic setting in at the end of this month, U. S. funds might strengthen. On the other hand, recent estimates of our wheat crop have indicated a much larger yield than some of the earlier reports forecast. Larger wheat exports will provide strength to Canadian funds.

French, Belgian, and Italian currencies continue at about last week's levels. Interest in these currencies remains very substantial. The French franc, particularly, continues a puzzle to many. Premier Poincare hopes to restore confidence in the franc by establishing a balanced budget. His recent financial programme enacted measures for increased taxation, for a sinking fund, etc. Is his programme, however, a sufficient one? To bring about a balanced budget, there will have to be great economies in expenditures for government account, while collecting increased taxes in France will be a real task, especially if the franc will decline. Furthermore, if industry is to expand so that increased taxes may be offset in part by increased production, government control of wages and food may be necessary. The course of the franc will provide the test of the sufficiency of Poincare's programme. Unless the franc holds up, French capital will not be recalled nor will taxes be paid. In essence the great problem will be the control of inflation, yet permitting expansion in industry.

These are but a few of the problems, not to mention the great anxiety felt here over the official French government attitude toward the British and American debt settlement plans. So far Poincare has been decisive in his actions, and he still has hopes of stabilizing the franc by a balanced budget without the use of large foreign loans or credits.

An interesting development during the week was the removal of the "peg" from the German mark. The German mark will now be traded in the market, and the ordinary loans of supply and demand will determine its movements.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Aug. 19	x9-64	5-32	x1-16	1-16
Aug. 20	9-64	5-32	1-16	1-16
Aug. 21	5-32	5-32	1-16	3-64
Aug. 23	5-32	5-32	1-32	1-32
Aug. 24	11-64	3-16	1-32	1-32
Aug. 25	3-16	3-16	1-32	1-32

xDiscount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Aug. 19	4.85⅞	2.85½	3.34¼
Aug. 20	4.85 9/16	2.84¾	3.27
Aug. 21	4.85 7/16	2.85¼	3.26¾
Aug. 23	4.85 5/16	2.82	3.22
Aug. 24	4.85⅛	2.82½	3.28

FOREIGN EXCHANGE

Par		Aug. 18	Aug. 25
19.30	Italian	3.34¼	3.29¾
32.45	Brazil	15.50	15.32
23.82	German	23.81	23.79
19.30	Belgium	2.72½	2.75¼
94.85	Japan	47.65	47.84½

Canadian Cottons Has Competition to Meet

From Our Own Correspondent.

MONTREAL.—With the keen competition between the northern and southern textile mills in the United States, it is understood that the business of Canadian Cottons has hardly held up during the summer months to the promising expectations of a few months ago. With the price cut in the States, more United States textiles have been imported into this country and, consequently, in some of the lines manufactured by the Canadian Cottons, orders have been taken on a smaller margin of profit. On the other hand, it is encouraging to the shareholders to note that the new silk lines which the company is manufacturing are meeting with a very favorable reception from the trade.

B. A. OIL AT NEW HIGH

British-American Oil eclipsed previous market records when the stock changed hands at 60. There has been an insistent demand for this security recently. The most interesting developments in connection with this company's affairs are the most satisfactory earnings record during the current year. The shares have gained ten points since the first of the present year.

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	6	9
Can. Westinghouse, com.	163	..
Cosgrave Brewery	2¾	3½
Dom. Power, pref.	97	99
Farmers Dairy, com.	45	..
Dunlop Tire, pref.	80	..
B. Greening Wire, pref.	91	94
Gunns, Ltd., pref.	29	31
King Edward Hotel, Deb. A.	78	81
King Edward Hotel. Deb. B.	58	61
Loew's Buffalo, pref.	50	60
Loew's London, com.	2½	3 1/10
Pure Food, com.	31½	34
Mount Royal Hotel, pref.	37	39
Willard's pref.	69	72
Capital Life 25% paid	20	25
Continental Life 20% Paid	35	..
Crown Life	122	..
Empire Life	25	..
Excelsior Life 29% Paid	57	..
Great West Life	430	..
Imperial Life	310	..
Monarch Life 10% Paid	25	..
Mortgage Discount, pref.	6.9/10	7¼
Ontario Equitable	..	25
Re-Insurance	..	25
Security Life 40% Paid	28	32
Sherbrooke Trust	110	..
Sovereign Life, 25% Paid	27	29

His to Say If It's King or Meighen

—Grain Growers' Guide, Winnipeg.

THE NATION'S BUSINESS

(Continued from page 1)

of the house and their interests sectional, if not parochial. The elimination of this third party would benefit Canada, whether the victors are Conservatives or Liberals."

* * *

THE election as a political duel between Mr. King and Mr. Meighen, with each one fighting as well to hold the leadership of his party, is the picture that appeals to the Canadian Forum, which forecasts:

"If the Conservatives secure a clear majority, they will prevail through the disastrous annihilation of the Liberal party outside of Quebec, and obviously a Liberal leader who can poll only a fraction of the votes of English-speaking Canada must be removed ere any revival of the party's fortunes on a solid basis can be hoped for. Similarly, if the Liberals, by holding their solid bloc in Quebec and winning seats elsewhere, win the day, marching orders will at once go forth to Mr. Meighen, and some Conservative chieftain who has a prospect of appealing successfully to French-Canada will be installed in his place. And again, if the stalemate of the last parliament is reproduced, both warriors will assuredly have to vanish from their high estate and make room for successors who can achieve fresh combinations capable of producing a stable parliamentary majority. The fact that Mr. Meighen and Mr. King are literally fighting for their political lives lends a certain piquancy to the contest, and I imagine that Mr. Bennett and Mr. Dunning will watch the returns on September 14 with keener interest than the average citizen."

The Brantford Expositor agrees that federal political warfare has been too much in the nature of a political duel between these two rivals and adds:

"Both Mr. King and Mr. Meighen have many strong qualities, but they would enhance their reputation in the country if they indulged less in personalities and confined their utterances on the platform to the discussion of public questions."

* * *

THEY take their politics seriously in Prince Edward Island, and it is no gentle love-tap when an island editor raps a political opponent. The Charlottetown Guardian says of Mr. Dunning (and would say the same of any Liberal, no doubt): "He is fluent after the style of the soap-box orator of the agitator type and, if the truth must be told, as unscrupulous as the worst of them." The only antidote is to read the other Charlottetown paper.

* * *

AS THE date of the election draws nearer, the political situation in Quebec is no less obscure. As before the last election, Quebec Conservatives at first prophesied fifteen seats, but now there is little doubt that the party would probably be well satisfied if eight of their candidates in Quebec attend the next opening of Parliament.

The last election returned four Conservatives from Quebec; three of these constituencies are in Montreal and the fourth was Argentueil, where the electors were deeply grieved over the outcome of the Carillon Power project which was finally killed when Mr. King was forced to take a stand on the export of power.

The alliance between Patenaude and Meighen was expected to prove fruitful, but even this, coupled with the appointment of the cabinet ministers from the province, can not make big gains in a province predominantly Liberal. Again, some Conservatives fear that the Montreal Star's support of the Conservative party may weaken towards the close of the campaign, and they are waiting to see if Atholstan's compact for the eventual sale of the Star to J. W. McConnell, will keep the paper from injecting its usual election eve roorbach.

In the meantime, moderate protagonists of both parties express the view that the final result in Quebec will be much along the lines of the previous election with possibly some Conservative gains. But to gain power, Mr. Meighen does not need big gains.

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF DIVIDEND

A dividend of two per cent. (2%) has been declared payable on the 15th October, 1926, to shareholders of record at the close of business on the 23rd September, 1926.

W. H. BLACK,
Secretary-Treasurer.

Montreal, 25th August, 1926.

Dividend Notice

Canadian General Electric Company, Limited.

PREFERRED DIVIDEND No. 66

Notice is hereby given that a Dividend of one and three-quarters per cent. for the quarter ending the 30th day of September, 1926, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividend is payable on and after the first day of October, 1926, to Shareholders of record at the close of business on the 15th day of September, 1926.

By Order of the Board,
W. H. NESBITT,
Secretary.

Toronto 2, August 24, 1926.

Howard Smith Paper Mills Limited

DIVIDEND NOTICE
on
PREFERRED STOCK

Notice is hereby given that a Dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 30th day of September, 1926, payable on the 11th day of October, 1926, to Shareholders of record at the close of business on the 30th day of September, 1926.

By Order of the Board,
E. HOWARD SMITH, Jr.
Secretary.

Montreal, August 23rd, 1926.

Announcement

J. FAULKNER & COMPANY

Announce the Opening of Offices at

320 BAY STREET - TORONTO

Harland Smith Building

To Specialize in the Purchase and Sale of

UNLISTED SECURITIES

TELEPHONE ELGIN 5395

THE ANNUAL FINANCIAL REVIEW

W. R. HOUSTON *Editor*

1926 EDITION

The Annual contains the latest available statements of all companies listed on the Montreal and Toronto Stock Exchanges together with complete history of companies, comparative statement of earnings, record of dividends, high and low selling price of stocks by months for past years, and a mass of other facts of importance to financial institutions and the investing public.

Price \$10.00 per copy

HOUSTON'S STANDARD PUBLICATIONS

Toronto Stock Exchange Building

234 BAY STREET TORONTO,2, ONT.

NEW ISSUE

\$450,000

Canada Electric Company

LIMITED

Twenty-five Year 6½% First Mortgage Sinking Fund Gold Bonds

Dated March 1st, 1926. Due March 1st, 1951.

Principal and semi-annual interest (March 1st and September 1st) payable at any Branch of the Bank of Nova Scotia, in Canada or at the Bank's Agency in the City of New York. Coupon bonds in denominations of \$1,000 and \$500 with the privilege of registration as to principal. Redeemable in whole or in part on sixty days' notice on any interest payment date, as follows:—Up to and including March 1st, 1931, at 105; to March 1st, 1936, at 104; to March 1st, 1941, at 103; to March 1st, 1946, at 102; up to September 1st, 1950, at 101. Trustee:—The Eastern Trust Company, Montreal

CAPITALIZATION

	Authorized	Issued
Twenty-five year 6½% First Mortgage Gold Bonds (this issue)	\$500,000	\$450,000
Common Stock	500,000	450,000

From the letter to us of the Hon. Walter G. Mitchell, K.C., President of the Company, we summarize as follows:—

COMPANY:—The Canada Electric Company, Limited, supplies an important industrial and mining territory in North Western Nova Scotia, including the towns of Amherst and Springhill, and contiguous territories, in addition to the two Cumberland County coal fields. The total population supplied is 20,000.

PROPERTIES:—The Company's plants consist of a 2000 kilowatts (2,700 horsepower) generating plant at Chignecto, N.S. A new plant, with an ultimate capacity of 4,000 kilowatts (5,200 horsepower) is now in the course of construction at Maccan. On its completion substantial economies will be effected in the present cost of generation of power. The new power house is a thoroughly modern structure, completely equipped for the burning of pulverized coal, with modern boilers and machinery, and specially designed to use the cheap fuel available.

PURPOSE OF ISSUE:—The proceeds of the present issue will be used for the financing of the new plant at Maccan and to redeem a presently outstanding issue of \$30,000 of First Mortgage Bonds.

EARNINGS:—Net earnings, available for bond interest, are estimated as follows:—

1926	\$43,000
1927	95,000
1928	124,000

This compares with bond interest requirements of \$29,250. During the past ten years, including the earnings derived only from the original plant, net earnings available for bond interest have averaged \$41,289., and for the past four years \$44,911. The bond interest on the old plant has, therefore, been earned on an average of over 1½ times interest requirements of the new issue.

Under the Nova Scotia Public Utilities Act, the Company is entitled to earn an 8% interest return on the capital value of its plant and 4% depreciation on same. Based on the Board of Commissioners of Public Utilities' valuation of the present plant, the Company's assets, after completion of the new construction, will exceed \$800,000.

SINKING FUND:—A Cumulative Sinking Fund of 2% commencing March 1st, 1928, is calculated to retire the entire issue by maturity.

All legal details in connection with this issue will be passed on by our Solicitors, Messrs. Logan & Smiley, Amherst, N.S.

It is expected that Definitive Bonds will be ready for delivery on or about September 9th, 1926.

PRICE: 100 and accrued interest, yielding 6½%

HANSON BROS.

MONTREAL TORONTO OTTAWA

EASTERN SECURITIES COMPANY

LIMITED

SAINT JOHN CHARLOTTETOWN HALIFAX

The information and statistics contained in this advertisement while not guaranteed have been obtained from sources we believe to be reliable and on which we acted in purchasing these securities.

ECONOMIC ADVISOR WANTED

An Association whose members do a national business want someone to prepare a weekly letter of up-to-date information on Canadian business conditions as a whole and as they apply to their particular industry.

They are prepared to pay a liberal fee to the person who can supply them with the information in a broad, accurate, thorough way as to be a guide to them in their future production and selling plans and policies.

Address, giving details of capacity for such work and experience, in first instance

SECRETARY, Box 260,
THE FINANCIAL POST,
153 University Ave., Toronto

BELGO CANADIAN PAPER COMPANY, LIMITED

Dividend Notice

Notice is hereby given that the following dividends have been declared for the quarter ending 30th September, 1926:

Dividend No. 13 on the Preferred Stock: One and three-quarters per cent. (1¾%) payable on the first day of October, 1926, to Shareholders of record of the 4th day of September, 1926.

Dividend No. 8 on the Common Stock: One and a half per cent. (1½%) payable on the eleventh day of October, 1926, to shareholders of record of the 30th day of September, 1926.

By order of the Board.
A. DEHAUFFE,
Secretary-Treasurer.

Montreal, August 10, 1926.

Tenders for *Debentures* of The Village of Crystal Beach

Guaranteed by

The County of Welland

Sealed tenders addressed to J. O. Page, Village Clerk, Crystal Beach, Ontario, endorsed "Tenders for Debentures," will be received until Tuesday, the 7th day of September, 1926, at the hour of seven o'clock in the afternoon, Standard Time, for the purchase of Ninety Thousand, Three Hundred and Sixty-four and 12-100 Dollars of Debentures of the Village of Crystal Beach, (issued under By-law Number 111 of said Village) dated the thirtieth day of June, 1926, bearing interest at the rate of five and one-half per cent. per annum, and payable in thirty equal annual instalments of principal and interest, the principal being payable on the thirtieth day of June in each of the years 1927 to 1956 inclusive, and interest semi-annually on the thirtieth day of June and thirty-first day of December in each year at the Imperial Bank of Canada, Crystal Beach, Ontario.

Payment of the debentures and the interest thereon is guaranteed by the Corporation of the County of Welland, and such guarantee is endorsed on each of the debentures and is signed by the Warden and Treasurer and sealed with the Corporation Seal.

The debentures are in denominations of \$1,000.00 and odd amounts.

A certificate of E. G. Long, K. C., of the City of Toronto, as to the legality of the by-law of the village and of the County and of the debentures, is printed on each debenture.

The debentures, copies of by-laws and certificates of legality are now deposited in the Bond Department of the Head Office of the Imperial Bank of Canada, Toronto, where they may be examined by proposed purchasers.

Each tender must be accompanied by an accepted bank cheque payable to the Treasurer of the Village of Crystal Beach for the sum of \$1,000.00, which deposit, in the event of the acceptance of such tender, will be applied on account of the purchase price, and if the tender is not accepted will be returned. The debentures must be taken up and paid for within fifteen days of notification of acceptance of the tender.

Debentures will be delivered in Toronto, payment to be made at the Imperial Bank of Canada, Crystal Beach, Ontario.

For any further or other information apply to the undersigned:

J. F. GROSS—D. D. GROSS,
Welland, Ontario,
Village Solicitors.

Dated August 16th, 1926.